

# Premier Concedes As Greek Socialist Party Wins Vote

ATHENS — Premier George Rallis conceded defeat for his New Democracy Party in Greece's general elections Sunday after first returns gave the Panhellenic Socialist Movement nearly 50 percent of the vote.

The Interior Ministry said that with about 17 percent of the votes counted, the Socialist Movement, led by Andreas Papandreu, had 47 percent and appeared likely to win 175 of the 300 seats in the new parliament.

"We are handing over to Mr. Papandreu a strong Greece," Mr. Rallis said in a concession statement less than three hours after polls closed.

Mr. Papandreu called on Greeks to forget their political differences and work together for a new Greece. Speaking on the state broadcast network, he said his party was determined to carry out its Socialist program.

"I am aware of the heavy responsibility you have entrusted me and my colleagues with to carry out the changes promised by my party. These changes are a condition for the survival of the country and the prosperity of the Greek people," he said.

New Democracy, which has ruled the country since the restoration of democracy in 1974, had 36.68 percent of the vote, which would give it 111 seats in the parliament, the Interior Ministry said.

It said the pro-Moscow Greek Communist Party had 10.63 percent of the votes counted. Political observers said many Communist voters had disobeyed party instructions and voted for the Socialist Movement.

"From the results up until now, it is obvious" that the Socialist Movement won, Mr. Rallis said in

Athens. "In democracies, the people's voice is always respected, and from the opposition benches New Democracy will continue its task."

Mr. Rallis was scheduled to hold his final Cabinet meeting at noon Monday before handing in his resignation to President Constantine Caramanlis. Mr. Papandreu was to meet with Mr. Caramanlis late Monday to receive his four-year mandate, and his government probably will be sworn in Tuesday or Wednesday.

Well Organized  
Political observers attributed Mr. Papandreu's victory to one of the best organized electoral campaigns in Greece's modern political history.

Computer analysts indicated that there would be only three parties in the parliament when the final results are in. There were seven parties in the outgoing parliament. Center and moderate parties apparently were being rejected by the electorate.

In the 1977 elections, New Democracy won 171 seats or 42 percent of the popular vote while the Socialist Movement got 25.6 percent for 93 seats. The Communists received 9.4 percent for 11 seats.

As the first results came in, thousands of jubilant Socialist Movement supporters celebrated in the streets. Carrying party flags — green with a rising sun emblem — they sounded car horns and raced around the city center shouting "Papandreu, Papandreu."

Mr. Papandreu, 62, has campaigned for Greek withdrawal from the military wing of NATO and for a referendum on continued membership in the European Community.

The Socialist Movement is also committed to sweeping reforms at



Andreas Papandreu goes to cast ballot in general election.

# Kania Replaced by Jaruzelski

## Moderate General Is Not Expected To Bring Abrupt Policy Reversals

By John Dutton  
New York Times Service  
WARSAW — Stanislaw Kania, the Communist leader who gained power at the height of labor unrest 13 and a half months ago, was dismissed Sunday and replaced by his premier, Gen. Wojciech Jaruzelski.

Gen. Jaruzelski is widely said to share Mr. Kania's moderate approach — in particular a belief in the necessity of political accommodation with the Solidarity independent trade union — so no abrupt attempt to reverse the liberalizing changes in the country's political life was expected.

But the Central Committee, which accepted Mr. Kania's resignation in the third day of a stormy session, demanded stronger action to overcome the economic crisis and a tougher line against "anti-Socialists" in Solidarity.

[Solidarity's president, Lech Walesa, had no immediate comment on Mr. Kania's dismissal, nor did President Reagan. Tass reported the change of leadership in a brief dispatch.]

The Central Committee also passed a resolution that, citing "existing dangers to the existence of the state," called upon the government to invoke, if necessary, "its constitutional prerogatives to guarantee peace in the country" — a reference to the imposition of martial law.

Choice of Jaruzelski is seen as a sign to the Polish people to take their crisis seriously, Page 2.

The resolution asserted that the party upheld the principle of "the line of agreement" and was willing to work with all patriotic forces "who are not against Socialism."

The ouster of Mr. Kania, 54, the party apparatchik who replaced Edward Gierek on Sept. 6, 1980, followed months of deteriorating economic conditions, with food increasingly scarce, long lines at shops and a dwindling supply of gasoline.

Western diplomats and Polish observers said they felt that Gen. Jaruzelski was an ideal choice as successor. He is moderate and yet acceptable to the Soviet Union, Solidarity and most of the Polish people.

Not an Activist  
The 58-year-old career officer probably owes his selection to his military uniform more than anything else. He became premier in February and has not been an activist head of government.

Poland has not had a military leader since the interwar dictatorship of Marshal Jozef Pilsudski. Nowhere else in the Communist states of Eastern Europe does a military officer serve as a party leader, since Communist parties traditionally keep military com-



Gen. Wojciech Jaruzelski



Stanislaw Kania

manders to one side in the power structure.

meeting began, the powerful Warsaw party organization held its own caucus and passed a resolution condemning the leadership.

# U.S. Revolution Is Won — Again

## Grumbling and Grog at Yorktown Re-Enactment

By Denis Collins  
Washington Post Service

YORKTOWN, Va. — The battle was over. The dead and wounded had brushed themselves off and the white smoke from a hundred black powder muskets had disappeared into a cloudless sky. The soldiers were back in camp, drinking grog from tin cups and grumbling in traditional foot-soldier fashion.

"The whole thing was a sham," said Ron MacIntyre, one of 3,000 citizen soldiers who volunteered for the four-day re-enactment of the American victory at Yorktown 200 years ago. A New England engineer portraying an elegantly uniformed officer, MacIntyre was standing among a group of other men upset that the National Park Service had kept the spectators so far away. "We wanted people to leave here impressed that these guys had really fought, bled and died for our freedom."

Devotees of U.S. history who made the pilgrimage to the small town on the York River do not have to be told the importance of Yorktown. Most Americans may have celebrated the birth of their nation five years ago during the Bicentennial, but if it was born in 1776, it was baptized in blood at Yorktown in 1781. That is when the revolution was won.

In Yorktown, Lord Cornwallis and his 7,500 British troops were trapped by a combined American and French force. Considering the condition of George Washington's army at the time — barefoot, bedraggled and deserting in droves — the war might well have been lost without this victory, and without the help of the French.

"We are at the end of our tether, and now of never deliverance must come," wrote Washington in a letter to the French government, asking for more aid a few months before the Yorktown battle.

The aid came in money, men and, most importantly, a French fleet commanded by Comte Francois de Grasse. Commanding 28 warships, the French admiral defeated a British fleet off the Virginia Capes near Chesapeake Bay on Sept. 5. When the British fleet moved into the bay to blockade the York River and cut off Cornwallis from supplies and escape.

Meanwhile, Washington and the French general Jean-Baptiste de Vimeur, comte de Rochambeau, had completed a forced march from New York to Yorktown and surrounded the British. On Oct. 9, the allied forces began a week-long bombardment of Yorktown and its British inhabitants.

On Oct. 17, with the British starving and suffering from an outbreak of smallpox, Cornwallis sent a lone drummer boy over his battlements to call for a parley. Two days later, the British troops — one-quarter of their army in America — marched out of Yorktown to the old British tune "The World Turned Upside Down" and surrendered.

There were fewer than 200 fatalities on either side. In the naval battle of the Virginia Capes, only one English ship sank. And while Yorktown was one of a very few battles America won during the revolution, it was enough to persuade the English that the cost of subduing the colonials and their French allies was higher than they were prepared to pay.

During the war, battles were sometimes suspended because of bad weather and muskets did not fire in the rain. Winning the field was more important than inflicting casualties, and opposing armies often camped close enough to serenade each other at night.

"There was still a lot of honor in war then," said Russell Knower, a gray-haired Massachusetts business executive who portrayed a French officer. Why does Mr. Knower spend a few thousand dollars and many cold nights in a canvas tent for several weeks, ends a year playing soldier? The love of history, he said, and the sharp smell of burnt powder, the chance to carry a brass-handled cane and sport a felt tricorne hat adorned with a tuft of goat hair.

"I do it for the rum ration," said a laughing Jane Gladding, who with her daughter was among the 1,000 women and children acting as camp followers. While the men marched off to do mock battle each day, the women remained in camp to cook, sew and answer questions from visitors.

"I see a lot of people raise their eyebrows when you tell them you are a camp follower," said Hazel Dickfoss, originally from England, but lately of Racine, Wis. "They think all camp followers were plying the world's oldest profession, but that's not true."

At night, the only illumination outside of a half-dozen cook fires was from a thousand candle flames sparkling among the acres of small white tents. Behind Ms. Dickfoss, a collection of off-duty fifers and drummers played "Yankee Doodle Dandy." At another campsite, a circle of soldiers sang "Alouette."

Breaks in the fantasy came occasionally. "Do you know where the French are camping?" asked Alexander Cacciola, a 77-year-old patriot from New Hampshire who wandered into the camp. "I've been walking around lost for two hours."

The French president repeatedly praised the spirit and character of the United States. "When they move away from the best part of their own history, that really upsets me," he said at one point, emphasizing that he intends his criticism to be friendly.

The two presidents met aboard the French warship De Grasse on the York River, near where French Adm. Francois de Grasse and his fleet helped lay siege to 7,000 British troops at Yorktown in the battle that ended the American Revolution.

Mr. Reagan and Mr. Mitterrand will review "French" and "American" troops Monday just before a re-enactment of the surrender of Charles, Lord Cornwallis.



A soldier guards the marketplace in Asyut, the town in southern Egypt where scores of people were killed 10 days ago in violence ascribed to Moslem fundamentalists. The town is now quiet.

# Reagan Extols Saudis, Pledges Firm Support

New York Times Service  
WASHINGTON — President Reagan, elaborating on his pledge not to permit Saudi Arabia to become another Iran, says that he would not repeat mistakes that he said the Carter administration had made in allowing Shah Mohammed Reza Pahlavi to fall in Iran.

Mr. Reagan said in a question and answer session with editors that the shah would not have fallen if the Carter administration had given him unwavering support "in whatever had to be done to curb the revolution."

The thrust of Mr. Reagan's elaboration — and of statements by his chief aides in recent days — is that the president was not talking so much about intervening in a domestic upheaval in Saudi Arabia as about trying to prevent such an upheaval by a show of U.S. support. Such support, he says, was lacking in Iran in 1978 and 1979 when the shah fell.

White House Session  
Mr. Reagan made his comments in a session at the White House on Friday with out-of-town editors. A transcript was made public Saturday.

The president said that the United States would lose credibility if it did not go through with the sale of technologically advanced radar planes to Saudi Arabia.

In urging the Senate to support the sale of the AWACS radar surveillance aircraft, Mr. Reagan extolled the Saudis, saying that they "want to be part of the West" and that the cease-fire in Lebanon last summer would not have taken place without Saudi intervention.

how he could guarantee the security of the AWACS, given the experience in Iran where advanced equipment was lost. He replied, "I have to say that Saudi Arabia will not permit to be an Iran."

That statement had been interpreted in some quarters as meaning that the president was broadening the longstanding pledge to protect the Saudi regime from external attack by including protection from internal upheaval as well.

When asked Friday to elaborate on the Oct. 1 statement, Mr. Reagan said: "What I had in mind was that I don't believe that the shah's government would have fallen if the United States had made it plain that we would stand by that government and support them in whatever had to be done to curb the revolution and let it be seen that we still felt that we were allied with them."

The president said the Carter administration had not supported the shah adequately and had given him "very bad advice" at the time and restrained him for some time.

Mr. Reagan said that he had been told by a "knowledgeable" individual that the revolution in Iran "could have been headed off with the arrest of 500 individuals" and that the Carter administration had "advised against that."

Carter administration aides have said they told the shah that he had full U.S. backing, but they have complained that he wavered so much about what to do that he became ineffective. There were differences among the Carter aides, however.

Some, such as the national security adviser, Zbigniew Brzezinski, favored an Iranian military takeover to block the overthrow of

# Egyptians Confirm Arrest of 230, Assert Foes Are Plotting Terrorism

From Agency Dispatches  
CAIRO — The Egyptian authorities said Sunday they had arrested 230 members of a Moslem fundamentalist organization that was plotting assassinations and attacks on vital installations.

The announcement was made a day after the government issued a ban on all use of firearms by civilians and confirmed that it was conducting a nationwide roundup of religious militants and political opponents.

On Saturday, military and diplomatic sources said the new regime had arrested more than 1,500 Moslem fundamentalists and leftist dissidents since the assassination of Sadat on Oct. 6. Until Sunday night, Egyptian officials had only said that "dozens" were seized.

Sadat had more than 1,500 religious leaders and political foes arrested the month before he was assassinated by Moslem fundamentalists during a military parade in a Cairo suburb. The sources said the latest arrests were part of a campaign to crush violent opposition to Sadat's successor, President Hosni Mubarak.

A List of 7,000  
A military source, who refused to be named, said that most of those imprisoned in the last few days were on a list of 7,000 fundamentalists who Sadat said would be picked up if they caused more trouble between Christians and Moslems.

An Interior Ministry statement Sunday night said 230 members of an Islamic group had been arrested

during the past few days and that the police had seized a large quantity of weapons and explosives.

The statement did not name the organization but it appeared to be Takfir wa-Hijra (Repentance and Holy Flight), a rightist Islamic group that has been linked to the Sadat assassination.

The Interior Ministry said the group was responsible for a virtual insurrection that erupted 10 days ago in Asyut in southern Egypt. According to Egyptian officials, 53 people were killed in Asyut after fundamentalists roamed the streets shooting unarmed police.

Officials reported that documents seized by the police showed that the organization was planning similar violence in other parts of Egypt, including attacks on police stations and assassinations.

Leader Named  
The Interior Ministry said the "terrorist-fundamentalist" organization was led by Aboud Zonor, a young Moslem activist arrested last week after a gun battle with police near the Pyramids. The group's objective was to undermine Egypt's stability through acts of violence, the statement said.

In another development, Ambassador Alfred L. Atherton Jr. of the United States conferred with Mr. Mubarak for the first time since he became president. Mr. Atherton said that their 90-minute talk included a review of "the security situation in the region."

But Western diplomatic sources sought to play down reports of a renewed military buildup on both sides of the border.

Mr. Atherton said his impression of the new president was that he "seems to be very much in control, very confident, very strong and very determined to pursue the policies of President Sadat on all fronts."

On Saturday, soldiers carrying rifles with fixed bayonets patrolled universities, where political activity has been banned, and policemen checked identity papers of students returning to class after their summer recess. Two universities that had been strongholds of Islamic opposition to the government were not reopened.

Other Penalties  
In addition to banning the use of firearms by civilians, the government decreed that anyone caught harboring a fugitive would be imprisoned for three years. According to the emergency legislation promulgated after Sadat was killed, the government may detain suspects for up to six months without trial.

Egyptian security sources also reported another violent incident Saturday, apparently involving Moslem fundamentalists, in a Nile Delta village. The sources said four gunmen, riding in two cars, sped through the village of Sandub Saturday and fired on two policemen standing on a sidewalk. The sources said no injuries were reported.

The policemen returned the fire but were unable to prevent the attackers from escaping.

A government official in Cairo said reports of the incident were incorrect. He acknowledged that there was some shooting in a Nile village, but said it was only policemen firing off signal volleys.

# INSIDE London Bombing

A senior British general was seriously injured Saturday in the second bombing by the Provisional Irish Republican Army in London in a week. Page 6.

# ETA Resurgence?

The assassination of a Civil Guard in Spain's Basque region during the weekend raised concern that ETA is renewing its terrorist campaign. Page 6.

# Sudan Aide Charges Libya Plans an Attack

By Jay Ross  
Washington Post Service  
KHARTOUM, Sudan — The Sudanese chief of security has charged that Libya intends to overthrow President Gaafar Nimeiri's government through sabotage, assassinations and a two-pronged attack across the Libyan and Chadian borders.

Omer Mohammed Tayeb, minister of security and vice president, drew an elaborate scenario of alleged subversion in giving details Saturday to support Gen. Nimeiri's claim that Libya is planning an invasion.

Although Western diplomats are doubtful about Libya's ability to invade Sudan across hundreds of miles of desert, the United States has pledged to accelerate delivery of \$100 million in military equipment to Gen. Nimeiri.

# Sudan Aide Charges Libya Plans an Attack

eight weeks in an attempt to counter Libyan-inspired subversion, Reuters reported.

[Hundreds of people were rounded up over the last few days, the sources added, and large quantities of arms and ammunition seized. But a government spokesman said Sunday that the crackdown and security measures on Sudan's western border with Chad were designed to maintain security and were not aimed at Libya.]

"Sudan is seeking peace in the region and has never been an advocate of aggression. It has no intention of attacking Libya or any other country," the spokesman added, according to Reuters.

Gen. Tayeb said that Libya started to mass troops on its border with Sudan two weeks ago, before the assassination of Sadat, a Sudanese ally.

"People said the Libyans would never go to Chad," referring to the more than 3,000 Libyans troops now in that neighboring country as the result of a civil war. "But they did. The leaders of Africa were sleeping."

Sudan, Senegal Join in Call  
KHARTOUM (AP) — Sudan and Senegal have jointly called for the establishment of an African peacekeeping force to replace Libyan troops stationed in Chad, the Sudanese news agency SUNA said Sunday.

Senegalese President Abdou Diouf, who stopped here on his way to Kuwait, met with President Nimeiri. SUNA said President Diouf pledged his country's readiness to participate in a peacekeeping force and had already informed the Organization of African Unity of his decision.

# Reagan, Mitterrand Meet on French Frigate

By Lee Lescaze  
Washington Post Service

WILLIAMSBURG, Va. — President Reagan and French President Francois Mitterrand began a meeting aboard a French warship on Sunday with expressions of mutual friendship. Their meeting was held against the historic background of the 1781 Yorktown victory, where the Americans, with vital French assistance, won their war of independence.

For all the two leaders' desires to emphasize 1781, World War II and other times when France and the United States stood united, however, the meeting opened with indications of important differences between the two nations.

In an interview on an American television program before his departure for the United States, Mr. Mitterrand criticized the Reagan administration for its reluctance to increase aid to the world's poor nations.

He urged the United States to move as soon as possible into strategic arms negotiations with Moscow and staked out positions at variance with Washington on Central America, the Middle East and the need for a world energy policy.

The French president warned that the United States must seize the opportunity to negotiate soon with Moscow or risk a deepening "psychological and moral crisis" in Europe where an anti-nuclear pacifist movement has been gaining strength.







الجمهورية العربية السورية

# France to Send U.S. An Executive as Envoy

By Edward Cody  
Washington Post Service  
PARIS — France's Socialist government is dispatching as its new ambassador to the United States a man likely to bring sharp changes in the style of French diplomacy in Washington — a non-diplomat reputed to be a homebody who has spent his entire career with the nationalized Renault auto company.

President Francois Mitterrand's choice of Bernard Vernier-Palliez, 63, demonstrates official confidence in an executive who has helped make Renault into Europe's leading automobile manufacturer and a paradigm that French Socialists point to repeatedly in explaining their reasons for nationalizing more French industry.

It also reflects a desire to underline the difference between Mr. Mitterrand and his predecessor, Valéry Giscard d'Estaing, whose ambassador, Francois de La-boulaye, is in the carefully chosen words of a French diplomat, "more of a society ambassador" than the party-shy Mr. Vernier-Palliez.

Officially, a Foreign Ministry spokesman explained that Mr. Mitterrand picked Mr. Vernier-Palliez because he knows the United States well as a result of business contacts as chief Renault executive since 1976 and a steady career with the state-owned company that began in 1942, before it was nationalized.

Called Ideal Advocate  
The French press added that Mr. Vernier-Palliez's experience makes him an ideal advocate in Washington of Socialist nationalization programs.

But a Foreign Ministry source emphasized that Mr. Mitterrand and Claude Cheysson, the minister of external relations, also picked Mr. Vernier-Palliez as a sign of a shift away from "the image of

France as a country that sells perfume and has nice little women." The burly Mr. Vernier-Palliez has made his reputation with balance sheets and production charts, acquiring for Renault a \$350 million interest in American Motors and helping turn Renault from a sluggish state-owned behemoth into a decentralized concern that turns hundreds of millions in profits.

Mr. de La-boulaye, in contrast, is known as a smooth professional diplomat with equally good family connections. His style and the image of France he represents, a Foreign Ministry official said, made him a likely target for Mr. Mitterrand and his Socialist government.

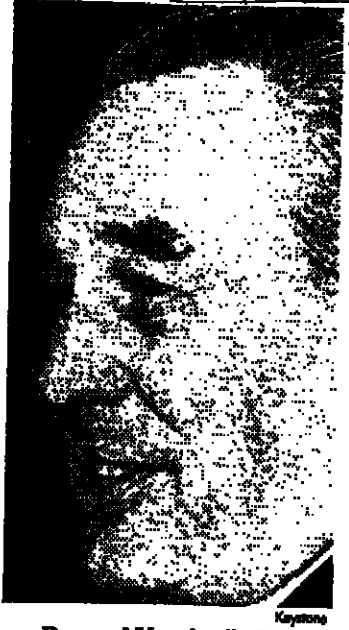
Fled Paris Society  
As chief executive at Renault, Mr. Vernier-Palliez has fled Paris society with determination. His associates say he enjoys opera in the evening and horseback riding on his days off but shies away from the demands of entertainment and social dinners.

Although his appointment as Renault's top manager had to be approved by the government — Mr. Giscard's at the time — Mr. Vernier-Palliez has never been involved in politics, a Renault spokesman reported. Foreign Ministry officials said, however, that he knows Mr. Mitterrand and Mr. Cheysson from professional meetings and seminars in which the minister's plans to bring in a number of non-career officials became known.

French diplomatic appointments traditionally remain within the professional corps more than in the United States, although appointments outside of what the ministry calls "the career" are not extraordinary.

Mr. Vernier-Palliez's appointment, expected to be announced officially after an agreement from Washington, thus aroused little open controversy here.

It came, however, as part of a shuffle that affected about 50 jobs,



Bernard Vernier-Palliez

# Mitterrand's Policies Draw Fire in Pravda

MOSCOW — In the first detailed Soviet analysis of French policy under Francois Mitterrand, Pravda expressed grave doubts Sunday over the course followed by the Socialist president in foreign affairs.

A lengthy article by Pravda's editor-in-chief, Viktor K. Afanasiev, who is also an important Communist party official, indicated particular concern over Mr. Mitterrand's views on nuclear weapons in Europe. It was also deeply critical of the French leader's stand on the Afghanistan issue, which Paris has said was an obstacle to normal relations with Moscow.

Mr. Afanasiev said that despite earlier pledges to work for the dismantling of military blocs, Mr. Mitterrand and Prime Minister Pierre Mauroy now "reject the policy of neutralism and in every way possible stress their allegiance to the Atlantic Alliance."

He criticized them for not condemning U.S. plans to produce the neutron weapon and said Mr. Mitterrand's attitude toward the planned deployment of new U.S. medium-range nuclear missiles in Europe had evoked "puzzlement."

The French Socialist leaders have been among Washington's strongest supporters over planned deployment of Cruise and Pershing-2 missiles in Europe to counter

Russian SS-20 rockets aimed at the West.

Mr. Afanasiev praised the French Communist Party's policy of peaceful coexistence, international cooperation and world disarmament, remarks that hinted at Moscow's regret that French Communists in government were wielding little influence over foreign policy.



INTO THE FRAY — A stick-swinging protester jumps from the roof of a car into a fight between rival anti-racist groups at a rally in Vancouver, B.C., against the Ku Klux Klan.

# Weinberger Seems to Be Pleased After Talks With France, Sweden

By George C. Wilson  
Washington Post Service

STOCKHOLM — Talks here and in Paris have strengthened Defense Secretary Casper W. Weinberger's belief that U.S. relations with Sweden and France, particularly on military issues, are growing warmer.

Mr. Weinberger left Paris Thursday convinced that the Socialist government of Francois Mitterrand, two Communists in the Cabinet notwithstanding, would be one of the Reagan administration's staunchest allies on military issues.

Mr. Weinberger felt he made progress on several fronts in his first face-to-face discussions with his French counterpart, Defense Minister Charles Hernu, an aide said.

While Mr. Weinberger acknowledged during a news conference in Paris Thursday that the Mitterrand government would fill military orders Libya had placed with the previous French government, French officials predicted that there would be "technical problems" delaying some of the deliveries to Libya's leader, Col. Moammar Qadhafi.

"Technical problems are something that by their very nature cannot be announced in advance," a U.S. official said wryly.

Mr. Hernu was also said to have agreed with the Reagan administration's view that neutron warheads must be produced to counter the Russian edge in tanks, Mr. Weinberger said.

The U.S. defense secretary showed Mr. Hernu how Mr. Reagan intended to counter the Russians strategically by deploying the MX missile and a new submarine missile and by building a new bomber.

There was an anti-Weinberger demonstration as he arrived in Sweden, but officials went to great lengths to welcome him and assure him that their country's neutralism required military strength.

The objective, Defense Minister Torsten Gustafsson explained to Mr. Weinberger, was to train enough soldiers and to deploy enough guns to convince a would-be aggressor that Sweden would be no pushover.

To give Swedish defenses more credibility, officials here told Mr. Weinberger, the Swedish Air Force must have a new fighter armed with the latest air-to-air missile. This would not be a problem, Mr.

Weinberger replied, as long as Sweden tightened its security on technology to minimize the chance that American-designed equipment would fall into Russian hands.

A nuclear-free zone encompassing all Scandinavian countries and Iceland — as has been advocated for many years, particularly by Sweden and Finland — was only touched on during Mr. Weinberger's discussions, and U.S. officials are convinced that it will not become reality, sources said. Swedish officials instead emphasized their resolve to strengthen defenses.

Mountain Redoubt  
With the apparent aim of projecting this resolve to the rest of the world as well, Sweden laid on an elaborate trip for Mr. Weinberger. Reporters and television camera crews were also invited.

Friday, for example, many television watchers saw Mr. Weinberger walking along the catwalks at the Swedish Navy's mountain stronghold at Musk. The base was carved out of the mountain of granite alongside a deep fjord. Destroyers and gunboats practice racing from the fjord into the heart of the mountain via deep canals blasted out of the rock.

Mr. Weinberger was flown from base to base Saturday, again with television crews in tow, to watch the Swedish Viggen fighter and the Swedish infantry in action.

NATO Meeting  
BRUSSELS (Reuters) — The United States is expected to press its European allies this week to proceed on schedule with the deployment of U.S. nuclear missiles.

At a NATO ministerial meeting in Scotland this week, alliance diplomats say Mr. Weinberger will insist that a timely deployment is an essential condition for successful U.S.-Soviet arms control talks and that deployment should not be affected by anti-nuclear protest movements.

NATO's nuclear planning group, meeting in Ginegasles on Tuesday and Wednesday, is expected to fully accept the new strategic options aimed at strengthening the U.S. deterrent.

Operational in 1990s  
Mr. Reagan also announced his intention to pursue "a vigorous research and development program for an advanced technology bomber [Stealth]." Stealth would become operational in the early 1990s and is meant to ensure a continued U.S. ability to penetrate Soviet air defenses.

In keeping with Mr. Reagan's decision and the tight secrecy surrounding the project, the Pentagon statement issued Friday, after the stock market closed, said only that:

"The Air Force announces that Northrop has been selected as the prime contractor to proceed with initial research and development on advanced bomber concepts. Key members of the team include Boeing, LTV-Vought and the General Electric Aircraft Engine Group. All details are classified. No further comment will be made."

The Northrop contract, which the company's president, Thomas V. Jones, said "will have a material impact" on the firm, is only for initial development work. If experimental models perform as advertised, a subsequent production contract would be awarded. The

# Northrop Gets Main Contract for 'Stealth'

By Michael Geller  
Washington Post Service

WASHINGTON — The Air Force, in the first step toward what may become a \$20-billion program to develop and produce a fleet of revolutionary Stealth bombers, has selected Northrop Corp. as prime contractor for initial research and development work on the project.

Stealth is a top-secret and top-priority Pentagon project to develop a bomber virtually invisible to enemy radar and thus able to carry bombs and missiles through heavy air defenses such as those ringed by the Soviet Union.

The idea is to combine a variety of new aircraft shapes and designs with special materials that absorb rather than reflect the energy in radar beams so enemy gunners cannot "see" and shoot down the bombers.

Earlier this month, President Reagan announced that as part of a major new program to strengthen the nation's nuclear arsenal, he wants to build 100 new MX missiles and 100 new B-1 bombers. The B-1 would begin replacing aging B-52 bombers in 1986.

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# Nixon Calls for Boycott of Libya, Prodding of Israel on Palestinians

Washington Post Service

PARIS — Former President Richard M. Nixon, returning from visits with leaders of four Arab nations, has called for an economic quarantine of Libya and said Israel should be prodded to step up its negotiations on Palestinian autonomy.

After attending the funeral of Sadat, instead of returning to the United States with former President Jimmy Carter and Gerald R. Ford, Mr. Nixon flew to Jidda for discussions with King Khalid and Crown Prince Fahd, then continued to Jordan, Tunisia and Morocco for talks with leaders of those countries.

All the leaders he spoke with expressed concern about the Libyan leader, Col. Moammar Qadhafi, Mr. Nixon said in a statement. He called Col. Qadhafi "an international outlaw" and "more than just a desert rat."

"An international threat requires an international response," he said. "Our military options are limited. Another course which might be considered is to impose an international economic quarantine on Libya. As one Mideast leader put it to me bluntly, 'why doesn't the West quit buying oil from Qadhafi?'"

He also warned that refusal by the United States to sell AWACS early warning radar planes to Saudi Arabia could "cool" the friendship of the countries he visited with the United States.

Arab states into a peacemaking process in which they can sit there and say, 'Well, we don't know whether you can deliver yourself or not. You're not the fellow that's in charge. Congress is.'"

Mr. Reagan was asked whether he would be prepared "to side openly" with the ruling Saudi family in case of a revolt "and help suppress it."

He did not reply directly but said, "It won't happen if we're evident there."

On another matter, President Reagan called for a fundamental revision of the federal budget process that would increase the chief executive's power to control government spending by giving him the authority to veto individual items in appropriations bills passed by Congress.

Tank Crushes 2 in Texas  
FORT HOOD, Texas — An Army tank on maneuvers overturned Saturday night, killing two soldiers who were pinned beneath it, authorities said.

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**HOMMAGE TO PRESIDENT ANOUAR EL SADATE**  
PRESIDENT OF THE ARAB REPUBLIC OF EGYPT  
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Once again, the forces of evil have struck. Through their cowardly assassination of President Anouar El Sadate, they aimed at the assassination of the hopes for peace he had succeeded in crowning in the Near East. His death marks the disappearance of one of those great souls of states who will leave their mark on our century and the history of the world.  
While my hapless country—scene of bloody maneuvers of factions lust for power—is in its last throes under the blows of its executioners, Egypt has become a haven of security for my family, for numerous Iranians and for me, as we await our return to our beloved homeland.  
Never shall I forget the welcome we received from President Sadate in March of last year. In the presence of their President, Egypt had her people welcomed us as guests of honor: the red carpet rolled out on our arrival was a symbol, already a great honor, that President SADATE became—on that day—quite simply a Great Man.  
My father's last days were brightened by his friendship. His illness, alas was too far gone for there to be any hope of recovery, but, in his essentially great compassion, God allowed us to find a father's comfort in President SADATE.  
The solicitude with which President SADATE surrounded me when I solemnly swore to assume the responsibilities to which the Iranian Constitution destined me, was for my greatest encouragement to pursue the path traced by my father, my grandfather and by all those who, during past centuries, have guaranteed the continuity of the Iranian monarchy.  
For these reasons, I felt much more deeply than any other the horror of the crime perpetrated against him and against the Egyptian people. For these reasons, I am today more sensitive than any other to the odious, regrettable criticisms launched against him. History will demonstrate that they are utterly unjustified.  
President SADATE was a man of peace, of wisdom, a great statesman. He paid with his life for his political discernment and he will refuse to yield to influences exerted upon him.  
President SADATE established the world by the decisions he took in the interest of his country. He was well aware of the risks and dangers of these acts, but he always said: "I prefer to die standing up than to live on my knees." He was standing when he was executed.  
I should like to express my best wishes for the success of President MOKRAB, chosen by the people to succeed the late, in leading Egypt—as he so wishes—toward the future of peace and prosperity which the deeply mourned President Anouar El SADATE was preparing.  
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*Jap. 10/15/81*

# For Rich and Poor Nations, Stakes at Cancun Are High

By Bernard D. Nossiter  
New York Times Service

**NEW YORK** — Presidents Ronald Reagan, Abdus Sattar of Bangladesh and other heads of state or their representatives will gather at the Mexican seaside resort of Cancun for two days of talk this week on how to improve the lot of the poor nations of the world.

The leaders, eight from industrialized nations and 14 from the so-called developing world, have already agreed to make no agree-

States, backed by West Germany and Britain, had firmly resisted any global bargaining round under a one-nation, one-vote rule. Mr. Reagan, Chancellor Helmut Schmidt of West Germany and Prime Minister Margaret Thatcher of Britain still oppose a United Nations body that could overrule decisions by GATT, the World Bank and the IMF. But over the last few weeks the West Germans have softened somewhat on their hard line, a shift that very well could just be cosmetic.

Not surprisingly, the nations of Asia, Africa and Latin America want to detach these aid and trade institutions from the grip of the rich.

## NEWS ANALYSIS

ments to take no actions that govern the way the world buys, sells and finances its goods and services.

However, their discussions on Thursday and Friday will be more than a seminar. The 22 confront a critical political decision that ultimately could affect everything from the price of jute in Bangladesh to control of the International Monetary Fund.

The leaders will decide whether to begin far-ranging negotiations on world aid and trade under the auspices of a United Nations organization — in which Vanuatu's vote would equal Japan's and where Belize and the United States count the same — or whether these issues shall remain inside the traditional postwar institutions, the IMF, the World Bank and the General Agreement on Tariffs and Trade. These are institutions controlled by economic weight, thus by the rich, industrialized nations.

**Politics, Not Economics**  
Cancun, then, is essentially about politics rather than economics, the power of decision-making rather than an appropriate level for the price of coffee. This is hardly surprising. Political leaders are meeting at the newly built Caribbean resort and their economic specialists will be in back rooms or hotel suites.

The 14 less industrialized nations (called the South, but mistakenly, since India, Yugoslavia and others lie north of the Equator) hope the gathering will begin the global negotiations that have been stalled for two years at the United Nations. Global negotiation is the short-hand for vesting ultimate decision-making in a United Nations-type body where each nation has one vote.

The 14 will get help from some of the equally misnamed North. (The Soviet Union, a comparatively rich northern country, has spurned an invitation to Cancun and all similar talks on the grounds that the "colonialist" West alone is responsible for global poverty.)

Friends of the South include President Francois Mitterrand of France and Prime Minister Pierre Elliott Trudeau of Canada. Until recently, the United

States, backed by West Germany and Britain, had firmly resisted any global bargaining round under a one-nation, one-vote rule.

And in his speech in Philadelphia last week, Mr. Reagan made no mention, either favorable or unfavorable, of global negotiations, suggesting that his administration still had not made up its mind what to do.

The president did, however, call on the Third World countries to develop free-market economies that would permit a greater flow of private investment and trade as a solution to break the grip of poverty. In other words, what works for the United States will work for developing nations.

Though this position is not a departure from that of previous administrations, the Reagan camp seems to be using it with greater bluntness.

At the same time, some soft words about a global negotiation round by Mr. Reagan should permit the heads of state to leave content with a symbolic agreement.

So on Friday, when Cancun's chairman summarize for the press what has taken place, they are likely to hail a signal achievement. It is

also likely that there will be less to this than meets the eye.

Behind Cancun lies the theory of an Argentinian economist, Raul Prebisch. As the head of the Economic Commission for Latin America a generation ago, Mr. Prebisch developed the theory that the world economy is rigged against developing countries, producers largely of raw materials.

They sell their coffee, copper, cocoa and the rest in largely competitive markets. But they buy generators, autos, earth-moving equipment and other finished goods from a handful of producers with power to fix prices. So, in the thesis, the Third World is perennially disadvantaged, receiving less and less but paying more and more.

The Prebisch theory provides a justification for Third World demands for a shift in power relations and "massive transfers of resources" from the rich to the poor.

There are at least two problems with this, however. A United Nations body quietly commissioned a distinguished group of economists to examine the key argument — that the terms of trade for the poor worsen over time. The experts con-

cluded that no conclusion was possible. Their report has never been made public.

The other difficulty is the view expressed by President Reagan: The argument that development is tied to entrepreneurship, private investment and open markets. Where they function, as in South Korea or Taiwan, growth is rapid; where they are inhibited by controls as in Algeria, Tanzania or India, growth is sluggish.

Behind the political talk at Cancun, there are a number of economic issues that will be discussed by experts and are the subject of future bargaining, global or otherwise.

• **Raw materials.** The Third World wants to create a network of cartels to protect and increase the prices of their raw materials.

• **Trade.** The developing countries want tariff preferences for their goods in the markets of the rich. If the U.S. tariff on autos is 15 percent, India would like to sell its cars in the United States tariff-free. Some preferences have been granted on a few products, but they are offset in part by curbs on textiles and clothing, important Third World exports. The United States has urged all nations to join GATT, where countries swap reductions in trade barriers. But that would compel India to give up barriers protecting its new industry in return for greater access to the West, a deal New Delhi and others do not want to make.

• **Finances.** The Third World wants the IMF to relax the conditions of its loans and provide a fresh slice of aid by distributing Special Drawing Rights, the instruments nations use to settle accounts with each other. Mr. Reagan is expected to say that the IMF's strict terms ensure that developing countries can borrow in private markets, that any slackening is against their interests. Most western nations oppose using the IMF as a source of aid. They argue it will contribute to world inflation.

• **Energy.** Saudi Arabia wants fixed and predictable oil price increases, tied to the dollar's international buying power. But Venezuela, Mexico, Nigeria and other oil exporters prefer uninhibited pricing. A subsidiary issue centers on a proposed new, \$25 billion affiliate of the World Bank. The bank wants to finance the search for oil in Third World countries. So far, both OPEC and the United States have blocked this institution.



A worker chops brush behind a new wire fence surrounding the Sheraton Hotel in Cancun, Mexico, where leaders of 22 industrialized and underdeveloped countries will meet this week.

## Cancun Touches Up For World Leaders

By Alan Riding  
New York Times Service

**CANCUN, Mexico** — Decorators are still sprucing up the Cancun airport and the hot lines to capitals as far apart as Abidjan and Peking have yet to be tested, but preparations for the conference of industrialized and developing nations this week are now virtually complete.

Already, security agents with walkie-talkies outnumber tourists and, by the time President Reagan and other world leaders gather here Wednesday, this normally soporific resort will have been taken over by 1,500 foreign delegates and over 2,000 journalists.

A narrow 14-mile-long island sprinkled with luxurious hotels that attend only to the affluent, Cancun seems an unlikely setting for a conference on world poverty. But it offers the informality, seclusion and security thought necessary to encourage some breakthrough after years of fruitless negotiations.

Such is the informality, in fact, that the leaders of eight industrialized and 14 developing nations will meet in a soundproofed hotel room in Cancun on Thursday morning without an agenda and with no plans for a final communiqué.

But no such improvisation has been permitted of the organizers of the conference, and the pressure on Mexico to insure a smooth operation has been enormous. The main worry is inevitably security, although Cancun is attached to the mainland by only two bridges and is therefore relatively easy to protect.

During their stay, the visiting group will remain ensconced in the Sheraton Hotel, which will be off-limits to the press and the public. Mexican naval craft will patrol the sea and lagoon on either side of the hotel. Apart from hundreds of local security agents, most leaders will also bring their own armed bodyguards.

Aware that several of the visitors are in their late 60s and early 70s, the Mexican government has also assigned top specialists in every medical field to Cancun's small hospital, while a medical evacuation helicopter will stand by at all hours.

Four of the invitees — Chancellor Helmut Schmidt of West Germany, Chancellor Bruno Kreisky of Austria, President Joao Baptista de Oliveira Figueiredo of Brazil and President Félix Houphouët-Boigny of the Ivory Coast — have already been forced to cancel for health reasons and will be represented by their foreign ministers.

Mr. Kreisky had been scheduled to co-chair the conference with Mexico's president, José López Portillo, and that role is now likely to be taken over by Prime Minister Pierre Elliott Trudeau of Canada.

Much of the organization, though, has involved satisfying the personal quirks of many of the leaders. President Ferdinand E. Marcos of the Philippines has sent his own furniture from Manila. Diplomatic sources said that the principal request of Prime Minister Margaret Thatcher of Britain was for a hair stylist to be available.

Apart from the opening session, the press will be excluded from all meetings. But to insure good communications for the media, a satellite ground station as well as 1,000 telephones and 300 telex machines have been installed, while the government leaders will have hot lines to their capitals in their suites.

## Zimbabwe Press Takes Cautious Approach Under 'New Order' for Reporting of News

By Joseph Lelyveld  
New York Times Service

**SALISBURY** — Only a few voices were raised to warn of encroachments on press freedom when the government created a semi-independent trust early this year to buy out the South African interests that had controlled nearly all the newspapers in former Rhodesia.

The press that was being taken over, it was recognized, had been tamed, if not broken, by the white minority regime of Ian Smith, so there was not much independence left to be compromised.

"Positivity is news. Negativity is not news," declared the director of information, Justin Nyaka, setting a standard for what was supposed to be a "new order" in journalism.

Eight months later, Zimbabwe's newspapers are still operating without any controls or political guidelines — either from the government or the new Mass Media Trust — but they have also done little to test the freedom that has supposedly been preserved for them.

Speeches of ministers tend to dominate the front pages and criticisms of the government tend to be ignored, especially when they come from black opposition figures such as Bishop Abel Muzorewa, the former prime minister.

While Muzorewa, editor of The Sunday Mail, said he would not print reports that tend to undermine mine stability and unity in the country,

and managed by the South African Press Association.

The government said it was unthinkable that foreign interests — especially South African — could be allowed to control the press of a newly independent black country.

**Korean Mission**  
In the event, it was the small Untall Post that provoked the first instance in which the government was plainly seen to put pressure on the trust. The weekly was the first to report the arrival of a North Korean military mission to train one of five army brigades. In an accompanying editorial, headlined "Sinister Trend," it then asked why the army needed help, "least of all from foreigners from East Asia."

Two days later the editor and the reporter who wrote the article, both whites, were driven to Salisbury by officers from the Central Intelligence Organization, the state security apparatus, and escorted into the presence of the prime minister and Mr. Shanyarira. According to Stan Higgins, the reporter, Mr. Mugabe started by saying he had no quarrel with the news report but only with the editorial's tone.

Shortly after the meeting, the editor, Jean Maitland-Stuart, was told by Zimbabwe Newspapers that she was to be replaced. Mr. Shanyarira acknowledged in Parliament that the government had made its displeasure known to the trust over the "racist" and "South African thinking" in the editorial.

**Minister Fired**  
Mr. Mugabe evidently agreed. Immediately upon his return from a Commonwealth conference in Australia, he dismissed Mr. Ushewokunze as a force for disunity.

The information minister, Nathan Shanyarira, appointed the first three members of Mass Media Trust. Two of the three he appointed were whites, a businessman who is president of the Confederation of Industries, and Grace Todd, the wife of former Prime Minister Garfield Todd. Using a grant from Nigeria, the trust then bought up the dominant 45 percent interest that the Argus Company of South Africa had owned in a holding company called Zimbabwe Newspapers that runs daily and Sunday English-language papers in Salisbury and Bulawayo, in addition to a weekly in Untall. The trust also bought the country's only news agency, the Zimbabwe Inter-Africa News Agency, which had been owned

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### On a safe course through difficult times.

The determining factor in the development of the world's economy was once again the drastic increase in oil prices. This fuelled inflation, reduced the chance of growth for those countries dependent on oil imports, and left its mark on their balance of payments.

Despite the overall negative tendencies with regard to turnover in the world-wide automotive industry, 1980 was for Daimler-Benz a year in which our star continued to shine.

We have produced and sold more, improving our market position both at home and abroad. The total figures were 429,078 cars and 272,868 commercial vehicles.

Turnover for the whole concern rose by more than 13 per cent to over 31,000 million D-Marks. Our factories worked to full capacity all year. Jobs remained secure. With almost 9,000 new jobs, Daimler-Benz employed 183,600 people by the end of 1980. In 1981, so far as we can tell, our company

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CONSOLIDATED BALANCE SHEET (summarised)					
	31st December		31st December		
	1980	1979	1980	1979	
	million DM	million DM	million DM	million DM	
<b>ASSETS</b>					<b>LIABILITIES</b>
Fixed assets	4,452.5	3,846.4	Stockholders' equity	5,315.3	4,680.6
Cost of investments in consolidated subsidiaries in excess of book value at acquisition	27.4	—	Overall provision for possible loss on receivables	275.7	208.6
Current assets	12,999.2	14,116.5	Loan capital	11,888.1	9,227.3
Balance sheet total	17,479.1	14,116.5	Balance sheet total	17,479.1	14,116.5
<b>CONSOLIDATED PROFIT AND LOSS ACCOUNT (summarised)</b>					
	1980		1979		
	million DM	million DM	million DM	million DM	
Total revenue	32,126.8	28,147.7			
Expenditures on material	16,556.2	14,176.7			
Staff expenses	9,815.8*	7,754.2			
Write-offs	1,456.2	1,349.6			
Taxes on income, trade and property	1,692.8	2,378.0			
Additional expenditure on other cost and revenue items	1,503.8	2,031.4			
Net income	1,102.0*	637.8			

will probably equal last year's performance, perhaps even better it.

### Good progress on the road to the future.

In 1980, we continued to press forward towards our targets. These are naturally to make every effort to maintain and improve the high utility value, economy and quality (therefore also the real worth) of our vehicles. This is particularly important at a time when strict standards are being set for vehicles, and for the product policy of the automotive industry.

It was against this background that we introduced the new S-class saloons. These are even more efficient and safe, and retain their

value even better than their predecessors, while needing about 12 per cent less fuel.

Additionally, two new four-cylinder engines were introduced for the 200 and 230 E models which offered enhanced performance while at the same time up to 13 per cent improved economy.

The economical diesel passenger car engine — a classical type for us — continued to be prominent. Almost half of all the cars we produced in 1980 were diesel powered.

Our large and varied commercial vehicle range was further extended. New engines were developed for the new generation of heavy trucks. Engines with high performance, excellent efficiency and particularly good fuel consumption characteristics.

### Vehicle exports vital to cover oil costs.

Turnover abroad rose during 1980 — mainly due to an increase in exports — by nearly 20 per cent to 17,200 million D-Marks.

Success abroad has long been one of our, and the German automotive industry's, principle aims. Nowadays its importance is even more emphasised for the German economy as a whole and for Germany's balance of payments.

### To succeed in future — invest in the future.

Securing its own future is one of the prime tasks for any company.

Which is why we strive so hard to maintain the high technical standards of Mercedes-Benz products, reduce fuel consumption, and at the same time make them more environmentally acceptable.

We will continue to spend more than 1,000 million D-Marks a year on research and development alone. Additionally, we will invest more than 2,000 million D-Marks in new production plants, to improve the flexibility of our production, and in our sales and service organization.

We would like to thank our customers for the way they remain true to our marque. This puts us under a special obligation. The confidence shown to us in the past has secured our present. It is also something we want to continue to earn in the future.



Mercedes-Benz.



# Senior British General Loses a Leg After IRA Blows Up Car in London

By Leonard Downie Jr.  
Washington Post Service

LONDON — A senior British general was injured seriously by an IRA bomb that tore his car apart as he drove away from his home in a quiet South London suburb.

Lt. Gen. Sir Stuart Pringle, 53, commander of the Royal Marines, lost his right leg below the knee during surgery on his badly mangled limbs. The Provisional wing of the Irish Republican Army claimed responsibility for the attack.

[A hospital bulletin Sunday said Gen. Pringle's condition was "satisfactory" and that he was in the intensive care unit, the Associated Press reported.]

It was the second bombing by the IRA in London in a week. On Oct. 10, two persons were killed and 39 were injured, 21 of them

members of the British Army's Irish Guards, when a bomb exploded outside Chelsea Barracks in West London, about four miles north of the scene of the bombing on Saturday.

**Sketches Circulated**

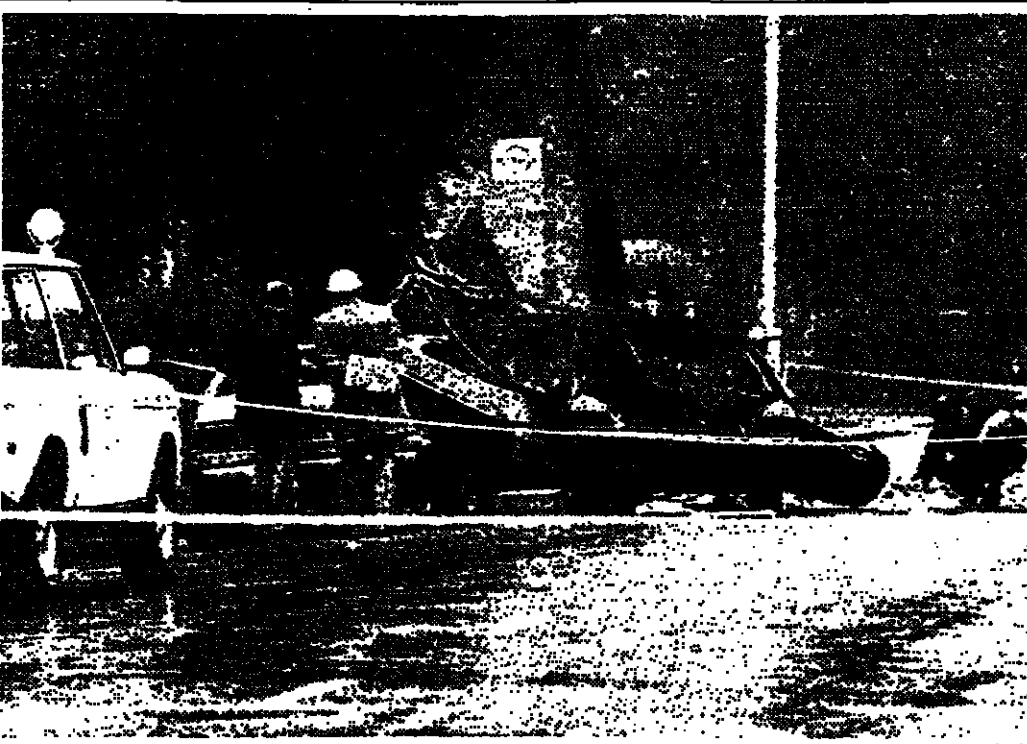
Police sources said they are searching for an IRA cell of four or five men who could be responsible for both attacks and may be planning more. They have circulated sketches of the suspects based on descriptions of men seen near a laundry truck where a bomb was detonated as a bus filled with Irish Guards passed by Oct. 10.

[Police sources said Scotland Yard tightened security for British leaders and other prominent people following the Saturday attack, AP reported. The police sources declined to specify what measures

were being taken, but they were believed to include extra bodyguards for government leaders and prominent politicians and increased police patrols around their homes.]

Prime Minister Margaret Thatcher said: "It is absolutely vital that every member of the public should exercise extreme care and vigilance. Such vigilance will help to beat the danger and catch the perpetrators of these dreadful crimes."

The head of Scotland Yard's anti-terrorist squad, Cmdr. Mike Richards, said "it is possible" that the bomb that exploded beneath Gen. Pringle's car "was the same type of device" used to kill Airey Neave, a senior Conservative member of Parliament, when his car exploded on the ramp of the House of Commons underground garage in March, 1979. An IRA splinter group, the Irish Nationalist Liberation Army, claimed responsibility for his death.



The wreckage of Lt. Gen. Sir Stuart Pringle's bombed car is covered and cordoned off while investigators search for clues. The IRA claimed responsibility for the latest London explosion.

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**Similar Bombs**

Gen. Pringle had just pulled away from the curb near his home in the suburb of West Dulwich at 11:30 a.m. when the bomb in his car exploded beneath his feet, blasting out the car's hood, roof and sides. The bomb that killed Mr. Neave exploded in the same way. It was activated by a mercury device reacting to the car's movement after being started.

One of Gen. Pringle's neighbors, Mike Mullins, witnessed the explosion while waiting for a bus at a nearby stop.

"Suddenly, there was a big flash, and I saw the [hood] of the car fly up over a house," he said. "I rushed to the car, and I could see the driver who was still conscious, but his legs were badly smashed and he was bleeding from the head."

Gen. Pringle is a 35-year veteran

of the Royal Marines who became the commanding officer this year. He led a Marine commando unit on two tours of duty in Northern Ireland at the peak of sectarian violence there in the early 1970s, after earlier seeing action in Suez and Cyprus.

No one else was hurt in the latest bombing, unlike last Oct. 10 explosion in which both victims were passers-by.

Another bomb exploded Saturday in Northern Ireland outside a golf club, but no one was injured. Violence has increased markedly in Northern Ireland since the recent end of the seven-month hunger strike by nationalist prisoners in the Maze Prison outside Belfast. In addition to bombings of busi-

nesses in Ulster and military targets in London, Catholic nationalists and Protestant loyalist gunmen have escalated a series of revenge killings.

**Ransom Payment Thwarted**

DUBLIN (AP) — The Irish government thwarted an attempt by the family of Ben Dunne Jr., 32, kidnapped son of a millionaire chain store owner, to pay a ransom of £500,000 (\$875,000), a police spokesman reported Sunday.

Mr. Dunne's wife, Mary, confirmed that police intervention prevented the family from paying the ransom near Dundalk a few miles south of the border with Northern Ireland Saturday night.

No one has yet claimed responsibility for the kidnapping, but authorities on both sides of the border believe Mr. Dunne was abducted by the IRA.

**MP Refused U.S. Visa**

WASHINGTON (UPI) — The United States has refused an entry visa to Owen Carron, a member of the British Parliament and political agent of the late Bobby Sands.

"Carron was considered ineligible for a visa," said a State Department spokeswoman, under a law barring anyone "who seeks to enter the United States to engage in activity prejudicial to the public interest."

# Basque Terror Group Feared Back in Action

By James M. Markham  
New York Times Service

MADRID, Spain — The Basque separatist organization ETA apparently has ended a mysterious cease-fire of almost three months by assassinating a Civil Guard corporal in the northern town of Santurce.

There was concern in both Basque and Madrid political circles that the slaying Saturday of Cpl. Santiago Gonzalez de la Paz in Bilbao marked a return by ETA to the kind of terror campaign that was a factor in inspiring last February's unsuccessful military coup attempt.

A number of factors appeared to have contributed to a strangely quiet summer in the usually troubled northern provinces, including a sharp decline in popular support for the organization, stepped-up police action against it, uncertainty about guerrilla suspects and a debate within ETA's ranks over what course to follow.

**Commanders Irritated**

But, with many Basque politicians angered by legislation proposed by the government in Madrid that they see as curtailing home rule, strategists in the Basque terrorist organization appeared to have concluded that the time is ripe to resume their

"armed struggle" for an independent Basque nation.

Senior military commanders are known to have been irritated by an angry attack on the autonomy law a week ago by Xabier Arzallus, president of the mainstream Basque Nationalist Party. "If they want to stop us," Mr. Arzallus told a rally, "they will have to come with arms, like in 1936," an allusion to the Spanish Civil War.

Several rightist politicians in Madrid suggested that Mr. Arzallus, whose party controls the Basque regional government, should be prosecuted for the remark. Other Basque leaders have come to his defense, however.

**Ship Bombed**

Within ETA there seems to be support for fairly ambitious terrorist undertakings, and high-ranking police officials are known to have been fearful lately of an attempt on the life of King Juan Carlos I.

On Oct. 2, ETA detonated a bomb that ripped a hole in the side of a Spanish destroyer docked in Santander. ETA appeared to be trying to detonate ammunition in the ship's magazine, and had it succeeded many of the 300 men on board might have been killed.

At the end of this month, the Cortes, or parliament, is expected to approve Prime Minister Leopoldo Calvo Sotelo's proposal to bring Spain into NATO. The government's decision to join NATO, which is opposed by both the Socialists and Communists in Spain, has so far aroused little passion. However, a resumption of terrorism would inevitably increase tension surrounding the debate.

While Basque politicians have severely criticized the government's autonomy bill, which strengthens Madrid's legal hold over the regions, the process leading to home rule continues. Last week, for example, Carlos Garcia-Cabeza, president of the Basque government, named four military officers to head a local police force that is being formed.



Joseph G. Helmich Jr. is taken away from court in Jacksonville, Fla., after being sentenced to life in prison for selling secrets to the Russians while he was in the U.S. Army in Paris.

# American Gets Life Term For Giving Secrets to Russia

United Press International

JACKSONVILLE, Fla. — An admitted Soviet spy, who had earlier said his only regret was getting caught, told a judge "I know I did wrong" and was sentenced to life in prison for selling code secrets 17 years ago.

Judge Susan H. Black gave Joseph George Helmich Jr., 44, the maximum sentence Friday, saying "Congress has expressed its views on the seriousness of this offense . . ." He will be eligible for parole in 10 years.

Mr. Helmich had pleaded guilty Sept. 28 to one count of conspiracy to commit espionage and in return the government dropped three espionage charges.

Despite Mr. Helmich's statement Friday that he regretted what he had done, U.S. Attorney Gary Betz told the court that "his defense has never shown any remorse. This is the first time he has said he's sorry."

On Thursday, Mr. Helmich had told a television reporter his only regret was "getting caught. If I'd kept my mouth shut, I wouldn't be here now."

During the television interview at the Federal Correctional Institution in Tallahassee, Mr. Helmich said, "My conscience is clear," and the only remorse he had was "what it has done to my family."

Mr. Betz said Mr. Helmich was motivated by "greed and arrogance" when he sold top-secret code information to the Soviet Union for \$131,000 in 1963 and 1964.

Mr. Helmich, then 26, was a code custodian with the Army Signal Corps at a communications relay station in Paris, with access to ciphering equipment and materials used by U.S. armed forces around the world.

Mr. Helmich said that he was facing a court-martial over bad debts and decided to sell code information and equipment to the Russians.

After hearing that Mr. Helmich may be planning to write a book on his experiences, Judge Black ruled that any future income deriving from his activity as a spy will go to the U.S. government.

At a court hearing in July, Mr. Betz said that Mr. Helmich was also a colonel in the Soviet Army.

# Zia Asks India to Show Goodwill, Not to Resist U.S. Sale of F-16 Jets

By Michael T. Kaufman  
New York Times Service

ISLAMABAD, Pakistan — President Mohammed Zia ul-Haq has called upon "a larger, more powerful India" to show magnanimity in its attitude toward his country's efforts to acquire jet fighters from the United States.

"I have told the Indians, you are a larger country, you have a larger force, a larger economic reservoir. You have a greater role to play. We admit it, but have a big heart also," said the military ruler during a wide-ranging two-hour interview at his residence Friday. "A big country like India should be able to eschew a lot of nonsense."

their acquisition was essential for the defense of his country, which is located in a strategically important and perilous position, bordered by Afghanistan, China, India, Iran and the approaches to the Gulf.

In her New Delhi interview, Mrs. Gandhi declared that her government had no aggressive designs on any country and that it was solely concerned with defense. She told the American correspondent that there was no foundation to the recently published warnings by Western diplomats that India might attack Pakistan to thwart U.S. arms deliveries.

Mrs. Gandhi dismissed as "ridiculous" a statement by Gen. Zia that she "has not reconciled herself to the existence of Pakistan." This statement appears in an interview with the general in The Far Eastern Economic Review, the Hong Kong-based weekly.

**Zia Denies Any Threat**

Several times in the discussion Gen. Zia emphasized that his offer of discussions on a nonaggression pact with India had been genuine and sincere, and he declared that India, which he said had not responded to the offer, should be willing because of its strength to "take some risks in order to gain improved relations."

While Gen. Zia discussed these issues here, Prime Minister Indira Gandhi told three American correspondents in New Delhi that she was wary of the Pakistan offer because it followed closely on agreement by the United States to send two squadrons of F-16 fighter-bombers to the Pakistanis during the next four years. Indian Foreign Ministry officials have warned that the introduction of the sophisticated planes would upset the balance of forces that they say has maintained the peace in Southern Asia for the last decade.

Gen. Zia has repeatedly contended that the U.S. planes can pose no threat to India and that

During the conversation here, Gen. Zia repeated his desire to talk with India on ways to reduce suspicion and tension between the two governments. At one point, however, he made it clear that while his nation did not seek parity with India, it did expect more parity than he felt it had received.

"We are a smaller country but we have peculiarities of our own," he said. "We are autonomous and we are a respectable nation. We will respect the Indians and we will demand as much respect as is due to a respectable nation."

"But if India wishes that it can treat Pakistan like Bangladesh, Nepal, Burma, then they are very well mistaken, because they can't while the nation does not seek parity with India, it did expect more parity than he felt it had received."

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"But if India wishes that it can treat Pakistan like Bangladesh, Nepal, Burma, then they are very well mistaken, because they can't while the nation does not seek parity with India, it did expect more parity than he felt it had received."

# Soviet Terror Charge Based on Old U.S. Data

By Leslie H. Gelb  
New York Times Service

WASHINGTON — Early Reagan administration charges that the Soviet Union was directly helping terrorists were essentially based on information provided a decade ago by a Czechoslovak defector, according to senior intelligence officials.

"What we are hearing is this 10-year-old testimony coming back to us through West European intelligence and some of our own CIA people," an official said. "There is no substantial new evidence."

The defector, Maj. Gen. Jan Sejna, was said to have been closely associated with Antonin Novotny, the Stalinist party leader of Czechoslovakia. Gen. Sejna fled to the United States in early 1968 after Mr. Novotny was replaced by Alexander Dubcek, the leader of the short-lived liberalization that was ended by the Soviet-led military intervention in August, 1968.

In 1972, the CIA dispatched Gen. Sejna to Western Europe to share his information on a number of subjects with intelligence agencies there, as is often done.

He was said to have told Western intelligence agencies at the time that the Russians had trained terrorist groups such as the Baader-Meinhof gang of West Germany and the Red Brigades of Italy.

ify his conviction about direct Soviet responsibility.

As described by officials, the judgment of the intelligence agencies is this: In the early 1960s, the Kremlin established training and support centers in the Soviet Union and in other countries for Libyans, Iraqis, North Koreans, Angolans, members of the Palestine Liberation Organization and others.

The purpose was to help these groups with guerrilla techniques and weapons for the early stages of what the Soviet Union calls "wars of national liberation." Later some centers were used by the Libyans, the PLO and others to train terrorist groups.

The Soviet Union almost certainly knew of these subsequent activities, and there is no evidence of Soviet efforts to block them. But there is also little to show that the Soviet Union was in any way directing terrorist actions.

There is intelligence evidence that Soviet leaders have talked about the uncontrollability of these groups, and have referred to the terrorists as "adventurers."

William E. Colby, the former director of central intelligence, summed up what many other intelligence experts said: "Given the fact that the Soviets set these centers in motion, they are not without responsibility, and there is no evidence of their urging restraint on the terrorists."

Intelligence officials react with sensitivity to the subject of Soviet complicity in terrorism. Some feel that recent statements, including some by U.S. administration officials, are accusing the intelligence agencies of covering up links between Moscow and terrorists.

Officials said the feelings on the matter ran so high that the first, unsolicited CIA report after Mr. Hag's statements was written as a rebuttal.

Under prodding by Mr. Casey, officials said, the CIA published a new report on terrorism. It says "The Soviets are deeply engaged in support of revolutionary violence" and "such violence frequently entails acts of international terrorism."

# Dutch Queen Acts In Coalition Crisis

United Press International

THE HAGUE — Two Socialist economic professors were appointed during the weekend to explore whether the Netherlands' shattered 35-day-old three-party government coalition can be restored.

A royal spokesman said Queen Beatrix ordered an investigation into the possibilities of establishing the same coalition that collapsed on Friday. On the advice of the three coalition partners — the Christian Democrats, Labor Party and Democrats '66 Party — the queen on Saturday appointed Victor Halberstadt of the University of Leiden and Cornelis de Galan of the University of Groningen to make the study.

The center-left Cabinet fell after the six Labor Party ministers rejected a socioeconomic policy compromise accepted by the six Christian Democrats and the three Democrats '66 members. The outgoing Cabinet, headed by Premier Andreas van Agt, will stay on as a caretaker government.

**Gunfire at Parade in Italy**

The Associated Press

CASERTA, Italy — Angered by a decision to change the route of a religious procession, a bar owner wounding at least 11 persons near this town north of Naples, police reported.

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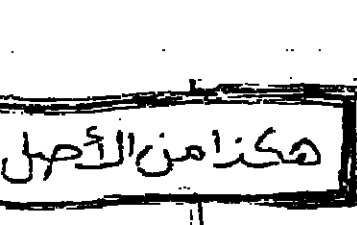
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**SENIOR EXECUTIVE POSITIONS**

Published every Monday, this is a compilation of senior positions published in the INTERNATIONAL HERALD TRIBUNE and other selected publications. Comments concerning this feature can be addressed to Juanita Caspari in Paris.

POSITION	SALARY	EMPLOYER	LOCAT.	QUALIFICATIONS	CONTACT	Source
GROUP FINANCIAL DIRECTOR	£28,000	important group (agency, trading & tourist interests).	Madrid	M.A. grad. qual. accountant with broadly based int'l financial experience; working exp. Port. & Spain; speaking territories.	R.T. Adair, Tyack & Partners Ltd., 10 Balfour St., London W1H 8JL, 21 Albion Place, Edinburgh EH3 6AL.	I.H.T. 8-18-81
INTERNATIONAL CARGO TRADER		Tysons Brookcraft GmbH.	London	Min. several yrs. of int'l exp. mineral oil-trading.	General Manager, Tysons Brookcraft GmbH, 9-20th Broadway, N.Y. (40) 35 1981 (35004-8).	I.H.T. 8-18-81
TELECOM-MUNICATIONS CONSULTANT		Int'l Co. (dept. of cables & systems for data transmission).	Paris	Engineer, B.Sc. deg. in engin. 28-40; Eng. Lic. 1-5 yrs. exp. in int'l org. data transmission; high level manag. exp.	Jerry Rubin, Personnel Consultant, 115 Avenue de la Seine, 75770 Boulogne.	I.H.T. 8-18-81
MARKETING DIRECTOR-EUROPE	£220,000 + car	European office of large overseas org.	London	30-35; skilled in negotiating at high level; several yrs. exp. general & int'l; exp. in Europe.	E.I. Roberts, ref. 88 987, Careers & Lybrand Inc., 100 St. James St., London EC2A 7JH.	Billy Telegraph 8-18-81
TOP LEVEL BANKING EXECUTIVE		Der Al-Hawal Al-Islami.	Geneva	Thorough knowl. of all aspects of banking; extensive familiarity with the Muslim world; desirable int'l exp.	Dr. L. Koenig, Der Al-Hawal Al-Islami, 7 Rue des Alpes, 1201 Geneva, Tel: (022) 51 77 34.	I.H.T. 10-18-81
GENERAL MANAGER		Europäische Pharmazeutischen	Brazilian Sao Paulo	Pharmaceuticals, Führungserfahrung Deutsch, Portugiesisch, Spanisch, Praktische, Administration.	Klaus Wittmann GmbH Personalberatung, Postfach 100, 8010 Birmensdorf, Tel: 043/751017, D-80300, D-80300.	Frankfurter All. Zeit. 18-18-81
FINANCIAL ANALYST	£13,000 22,000 net of tax.	HMARSAI.	London	Qual. to high level in Bus. Admin. or Econ. 7-10 yrs. exp. in planning/analysis or int'l manag. (int'l experience); Eng. +.	Director of Administration & Finance Division, HMARSAI, Market Towers, 11 Nine Elms Lane, London SW9 5NL.	Economist 10-18-81





Handwritten note: *July 1981*

# Peking's Gestures of Conciliation Garner Little Support on Taiwan

By Henry Kamin  
New York Times Service  
TAIPEI — Most of the population of Taiwan listens to the government's ritual vows to "recover the mainland" with a jaded ear and little-disguised derision. But the same people — both native Taiwanese and those who fled from the mainland in 1949 — are

governed by mainland refugees, reject submission to the Communist claimants of their country even more strongly.

Several Taiwanese intellectuals interviewed here expressed the fear that the present government or a Kuomintang successor — President Chiang is at least 71 years old — might eventually strike a bargain with Peking at the expense of the Taiwanese, who constitute the island's overwhelming majority.

"The mainlanders have the family ties and the nostalgia," a writer said. "We don't." Since the Japanese colonization in 1895, Taiwan has not been ruled by mainland governments.

### China Patriotism

Reunification is not an aspiration cherished by many Taiwanese, nor is it considered a realistic hope by the children of those who fled here.

Alluding to Taiwanese suspicions that a "great China" patriotism that the islanders do not share might prompt a Kuomintang government to accept a Peking offer one day, a senior official rejected a frequently heard contention that the government was adamant in rejecting all Peking proposals

largely because categorical opposition to the Communists was the Kuomintang's main claim to legitimacy for its rule over Taiwan.

"We reject it for more practical reasons," he said. "We would divide this country if we accepted negotiations with Peking, no matter how hard a stand we adopted."

Government officials, businessmen and foreign business and banking representatives here offered another practical reason for the government's almost automatic rejection of all offers from Peking.

To raise the possibility that Taiwan might surrender its independence, under whatever guarantees Peking offered, would shake faith in the continuation of the economic policies that have brought about one of the most booming economies in Asia, and lead to a flight not only of capital but also of entrepreneurs and technical and business talent.

Many highly educated people on Taiwan hold "green cards" that entitle them to permanent residence in the United States.

### Unanimity Surprising

With surprising unanimity, which is rarely heard among Taiwanese commenting on government declarations, various versions of the theme "We have nothing to gain and everything to lose" were heard in interviews and conversations. No one argued with the view that the government spokesman, James Soong, expressed in two questions: "What do we have to give away? What can we get?" On most other issues, Mr. Soong does not express the views of the other people interviewed.

Opponents of the government also share the official view that Peking's offers are addressed to the United States rather than to Taipei. They are generally regarded as an attempt to depict Peking as conciliatory and Taipei as obstinate and thus to influence the Reagan administration to weaken further its ties to the nationalists and reduce military sales.

"If Peking really thought that reunification is a serious subject, they would not make a public balhyoo but use more discreet channels that are available," a foreign professional analyst said.

Speaking about the governments on both sides of the Formosa Strait, a Taiwanese writer said: "There isn't a popular Chinese government. We don't want the Communists, and we doubt the sincerity of the KMT [Kuomintang]. We fear one day they will go to the mainland and make a deal without asking us."

The state of emergency that has justified restrictions on democratic government since 1949 is based on the claim that the Nationalist government rules all of China and that Taiwan is only one province in a country still engaged in civil war.

## Paris Fashion

# Kinkiness, Patriotism Dominate Styles

By Hebe Dorsey  
International Herald Tribune

PARIS — The Paris spring ready-to-wear collections are full of gits and gimmicks you couldn't take home to mother: poison-green leather bras with matching pompons swirling out of them, shoulder tattoos, huge leather cuffs, sequined tops over black chiffon, silver chains over red leather midriffs, gold G-straps and cancan garter belts.

Body-conscious Thierry Mugler went overboard with kinky nurses — the kind that could either kill or cure a man — and bloomer-clad "Dirty Dolls," as he called them — models with skirts pushed over their heads, looking like the tacky dolls you win at country fairs. Claude Montana went macabre with "widows" in black veils, carrying jet roses and chanting, "Adio amore."

The designers' sex-shop fantasies covered the whole field, from Marilyn Monroe to the Marquis de Sade. Their other obsession so far has been the French Revolution: The new Socialist regime, which has created an uneasy, wait-and-see feeling in the fashion industry, has resulted in a rash of aggressively patriotic, tricolor costumes dug out of history books.

What that means in terms of

fashion is lots of bright stripes and a choice between *aristos* in dainty, shawled and pantalooned Marie Antoinette outfits, or revolutionaries in cropped striped pants and cockade-trimmed hats.

In a tedious repeat of "same tent, next year," the French, who do not seem to be able to get their act together, have thousands of fashion press shuttling to the Jardin d'Acclimatation, the children's amusement park in the Bois de Boulogne. During the weekend (the showings continue through Wednesday), 18 collections went down runways turned into everything from fountains to gardens of Eden to columned Roman forums.

The most solid shows were at Chloé, Emanuel Ungaro and Montana, with young, spicy stuff coming from Jean-Paul Gauthier, who makes anti-establishment, post-punk clothes.

Karl Lagerfeld, for Chloé, delivered imaginative, fantasy clothes while still managing to make his bottom-line customers happy. His bright abstract prints, among the strongest moments of the collection, were taken from the new, "Memphis school" of furniture design, with amusement park influences.

Lagerfeld's signature this season is a 10-inch-deep, whale-

boned corset — inspired, he said, by Manet's "Nana" — that holds his whole look together.

Ungaro's contribution this time was a combination of bright chintz prints with more austere striped silks. A man with a couture background, Ungaro brings along with him refined touches such as black silk piping, beautiful silk shawls and the sought look that comes from a long spell with the carriage trade.

Montana's highly theatrical collection, a hectic 80-minute trip around the world, was about as comfortable as a hot-and-cold shower. Brown-garbed nuns, clutching big gold crosses and intoning Gregorian chants, followed close on the heels of leather-clad gladiators. Then came Ukrainian peasants, U.S. joggers and football teams, Mexican mariachis and Casbah beauties, ending up with a tableau called "The Last Days of Pompeii" — what Montana meant by that is anybody's guess.

Theatrics aside, the clothes were serious, with Montana's strong feeling for big shapes superbly delivered. However, his fabrics collection is now being manufactured by an Italian entrepreneur — which means it has been toned down and made more commercial.



Claude Montana's French Revolution look.

## NEWS ANALYSIS

even less moved by urgings from Peking that this island of 18 million inhabitants place itself under Communist rule.

The blandishments that accompanied Peking's recent proposal, which amounted to an offer to let Taiwan become China's only province with its own army and capitalist economy and human rights not available to other Chinese, found no more credence among critics of the government of President Chiang Ching-kuo than they did within the government.

Like the opposition to the authoritarian regimes in South Korea, people who oppose the Kuomintang's rigid rule, for reasons of democracy or of Taiwanese nationalist resentment against being



A coal miner is hugged by a relative after escaping from mine.

## 33 Dead, 60 Trapped in Japan Mine

YUBARI, Japan — Relatives of 60 men trapped underground and presumed dead in a northern Japanese coal mine gave their permission Sunday for the air supply to be cut off to prevent a fire from spreading.

The decision was taken after poisonous gas, fire and smoke prevented attempts to rescue the men, who were buried 2,000 feet (about 610 meters) underground after the mine near Sapporo on Hokkaido Island filled with methane gas Friday. Thirty-three bodies have been recovered. Ten rescuers are among those trapped.

In a televised meeting with officials of the Hokkaido Colliery and Steamship Co., which owns the mine, sobbing relatives of the missing men agreed to the cutoff of the air supply.

"We think they are all dead now. If we leave the fire raging, the bodies will be damaged and spoiled," one of the relatives said.

The accident was Japan's worst mining disaster since 1965, when 237 people were killed in an explosion.

## Albert Cohen, Novelist, UN Ex-Aide, Dies

GENEVA — Albert Cohen, 86, author and former United Nations official, died Saturday.

Born in Corfu, Greece, to Jewish parents, Mr. Cohen settled 50 years ago in Geneva, where he served as a senior officer in the International Labor Office and the United Nations before becoming an independent author.

A naturalized Swiss who liked to say of himself that he had three homelands, Israel, France and Switzerland, Mr. Cohen had been mentioned frequently as a possible candidate for the Nobel Prize in Literature. His novel "Belle du Seigneur" won a prize from the Academie Francaise.

Other works included "Le livre de ma mere" and "Solal." A one-act play, "Ezechiel" was regularly presented at the Comedie Francaise.

His books were translated into various languages, including English, German, Swedish, Spanish and Portuguese, but had their greatest audience in their original French language.

Cornelius Shields  
NEW YORK (NYT) — Cornelius Shields, 86, founder of an investment banking firm and a prominent yachtsman, died Thurs-

day. He had been ill with heart trouble for the past year.

Mr. Shields' fiercely competitive sportsmanship earned him the

## OBITUARIES

Georgia Sothorn  
NEW YORK (NYT) — Georgia Sothorn, 68, a vivacious red-haired striptease and nightclub entertainer of the 1940s, died Wednesday of cancer.

In 1948 New York police halted Miss Sothorn's show and revoked her cabaret-employee license. In court the prosecution objected to Miss Sothorn's "dance routine, which consists of bumps and grinds." The judge ruled in favor of Miss Sothorn, saying that "she has a right to engage in a lawful occupation and may not be arbitrarily deprived of earning a livelihood."

Donald R. Heath  
WASHINGTON (WP) — Donald R. Heath, 87, a foreign service officer for more than 40 years before retiring in 1961 and the first

U.S. ambassador to Vietnam, died Thursday.

Mr. Heath became minister to Vietnam, Cambodia and Laos in June, 1950. In July, 1953, he was elevated to ambassador to Vietnam and Cambodia, and minister to Laos, based in Saigon. He held those posts until September, 1954.

Louis W. Fairchild

NEW YORK (AP) — Louis W. Fairchild, 80, who ran Fairchild Publications during the company's post-World War II expansion, died Friday.

Arthur E. Larkin

NEW YORK (NYT) — Arthur E. Larkin, 64, president of General Foods Corp. from 1966 to 1972, died Wednesday.

Edouard Depreux

PARIS (AP) — Edouard Depreux, 82, French interior minister from 1946 to 1947 and education minister in 1948, died Saturday.

Lina Tsaldaris

ATHENS (Reuters) — Lina Tsaldaris, 94, who in 1952 was the first woman to become a Cabinet minister in Greece, died Saturday.



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Am't	Security	Styl	Conv	Issue Pr.	Mid Pr.	Yield
100	Canada			100.00	100.00	12.50
100	Canada			100.00	100.00	12.50
100	Canada			100.00	100.00	12.50
100	Canada			100.00	100.00	12.50
100	Canada			100.00	100.00	12.50

## STRAIGHT BONDS

All Currencies Except DM

Am't	Security	% Mat	Middle Price	Yield
100	Australia	100.00	100.00	12.50
100	Australia	100.00	100.00	12.50
100	Australia	100.00	100.00	12.50
100	Australia	100.00	100.00	12.50
100	Australia	100.00	100.00	12.50

## HIGHEST YIELDS

to Average Life Below 5 Years

Security	Yield
Canada	12.50
USA	12.00
UK	11.50
France	11.00
Germany	10.50

## HIGHEST YIELDS

to Average Life Above 5 Years

Security	Yield
Canada	12.50
USA	12.00
UK	11.50
France	11.00
Germany	10.50

## HIGHEST CURRENT YIELDS

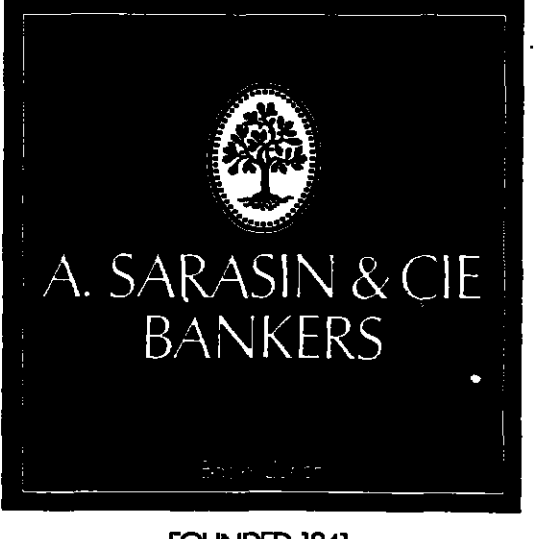
to Average Life Above 5 Years

Security	Yield
Canada	12.50
USA	12.00
UK	11.50
France	11.00
Germany	10.50

Am't	Security	% Mat	Middle Price	Yield
100	Canada	100.00	100.00	12.50
100	Canada	100.00	100.00	12.50
100	Canada	100.00	100.00	12.50
100	Canada	100.00	100.00	12.50
100	Canada	100.00	100.00	12.50

## DM STRAIGHT BONDS

Am't	Security	% Mat	Middle Price	Yield
100	Australia	100.00	100.00	12.50
100	Australia	100.00	100.00	12.50
100	Australia	100.00	100.00	12.50
100	Australia	100.00	100.00	12.50
100	Australia	100.00	100.00	12.50



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# Analysts Reaching Consensus That U.S. Is in Recession, but Forecast Relatively Mild Effects

By John M. Berry  
Washington Post Service

WASHINGTON — The United States economy is in a recession. The housing and automobile industries have been in that economic purgatory for months, and now the effects are spreading under the pressure of continued high interest rates.

The Reagan administration and a number of private forecasters are not yet prepared to agree the sharp technical constitutes a recession, but administration economists acknowledge there is great uncertainty about the economy over the next nine months.

Jerry Jordan, a member of the Council of Economic Advisers, declares, "There is no question that the economy will be building strength through next year, but I am not sure where the launching pad is."

That uncertainty contrasts with the administration's mid-July forecast that the economy would take off by the end of this year and expand by a healthy 5.2-percent rate during 1982. But a weaker economy should mean continued declines in the rate of inflation.

The Consumer Price Index rose 10.9 percent in the 12 months ended in August, but producer prices for finished goods were up only 7.9 percent in the same period, an increase 5 percentage points smaller than in the

preceding 12-month period. The CPI should soon begin to reflect that slowdown more fully.

Recent economic news could not help but stanch the administration's optimism about economic activity, if not about inflation. Industrial production fell 0.8 percent in September, the second monthly drop in a row. A wide range of industries reported output declines.

As a consequence, layoffs are increasing. The nation's unemployment rate jumped from 7.3 percent to 7.5 percent last month.

The Commerce Department will release preliminary figures for third-quarter Gross National Product this week, and many observers expect them to show a decline, after adjustment for inflation, at an annual rate of between 1 percent and 2 percent. In the second quarter, real output fell at an annual rate of 1.6 percent.

But having two consecutive quarters of declining output, as measured by the GNP numbers, is not the reason for saying a recession is at hand. Many analysts regard the drop in the second quarter largely as a statistical fluke.

The modest decline in the quarter just ended, however, apparently was the real thing. Nevertheless, most forecasters expect the recession to be mild.

"The U.S. economy did enter a recession, which I would date in July or August," Kathryn Eickhoff of

## Reagan Confirms Recession

United Press International  
WASHINGTON — President Reagan agreed Sunday that the United States is in a slight economic recession, and he said, "I hope a short one."

"I think everyone agrees on this," Mr. Reagan said. It marked the first time Mr. Reagan has confirmed the nation is in a recession.

Townsend-Greenspan, an economic consulting firm, declared at a recent conference in New York. She cited these factors:

- Initial claims for unemployment benefits, which had been running at about 400,000 a week, have climbed to more than 500,000.
- Payroll employment and hours worked both dropped in September.
- Industrial output fell in August and September.
- Purchasing agents say the level of new orders for goods is falling.

Ms. Eickhoff expects the housing and auto markets to worsen again in the current quarter — auto sales in the first 10 days of October fell 35 percent from the

year-earlier period to the lowest level since 1957 for domestic makes. Single-family housing starts are already at the lowest level for the more than two decades in which the figures have been collected.

Economists Walter W. Heller of the University of Minnesota and George L. Perry of the Brookings Institution, in a joint forecast done for the National City Bank of Minneapolis, conclude that "the U.S. economy is now sliding — or being pushed — into recession."

"The Federal Reserve's tight monetarist policy, in spite of some leeway in recent weeks, has imposed increasingly severe strains on the economy," the two economists say. "For some time, the resulting economic malady was pretty well quarantined. The major victims were autos, housing and the thrift industry. ... But now, the contagion is spreading."

Helen Junz, another Townsend-Greenspan economist, said the U.S. merchandise trade deficit will be running at an annual rate of between \$50 billion and \$60 billion by the end of 1982, and noted that some predictions place it at \$75 billion. A deficit running at a \$60-billion annual rate would slice about 1 percentage point off of the growth of real output in the United States during the next year.

Mr. Perry and Mr. Heller, the latter a former chairman of the Council of Economic Advisers, see no quick

pickup. "Until the second-stage 10-percent tax cut takes hold in mid-1982, we foresee continued recession, or at best, sluggishness."

These bearish forecasts discount the impact of the 5-percent cut in personal income tax withholding that took effect Oct. 1.

But even the bears are not looking for a deep recession, principally because there does not seem to be a high level of business inventories that will have to be liquidated. In the past, the swing from accumulation of stocks to liquidation and then back to accumulation greatly deepened the recession phase of the business cycle but also helped spur a vigorous recovery. Without this inventory swing, the recession likely will be much milder, but so will the recovery.

The Heller-Perry forecast sees a sharp drop in activity as late as the second quarter of 1982. A recession lasting that long would mean, among other things, that the federal budget deficit for the current fiscal year would be \$75 billion instead of the \$43-billion target of the administration.

Some forecasters think unemployment will shortly be close to 8 percent.

Many are worried that with a number of major corporations financially hard pressed, an unexpected bankruptcy or two could make matters much worse.

## Zapata Is Shifting Its Assets, Looking for Opportunity

By William K. Stevens  
New York Times Service

HOUSTON — In 1952, George Bush, now vice president of the United States, and T. Hugh Liedtke, now chairman of Pennzoil, were sitting around their offices in the West Texas oil town of Midland, wondering what to name their fledgling drilling business.

They wanted something that would attract attention, something exotic, something that began with A or Z so it would be easy to find in the phone book. Marlon Brando and Anthony Quinn had just made a hit movie called "Viva Zapata!"

So Zapata it became, and the company has been attracting attention ever since. By 1966, when both Mr. Bush and Mr. Liedtke had sold their interests, Zapata had become one of the world's largest offshore drilling contractors.

Last month Occidental Petroleum offered to buy Zapata for \$745 million in stock, but Armand Hammer, Occidental's chairman, withdrew the bid after Zapata rejected it as "grossly inadequate."

Mr. Hammer said he had no intention of attempting a hostile takeover. One reason, analysts suggest, may have been that Zapata, profitable and in a position to line up sizable credit lines, is well equipped to put up a vigorous fight.

That has not always been the case. In the years after the company's founders left, Zapata enthusiastically branched out into shipping, construction, dredging and mining. By the late 1970s, it found itself saddled with a string of weak operations, return on investment as low as 1 percent and a debt that had soared to \$652 million, almost three times the value of the company's equity.

Zapata's turnaround began in 1979, following the forced departure of its chairman, William H. Flynn. The new chairman, B. John Mackin, set out to return the company to its base in the oil business by getting rid of unrelated operations.

The "touchstone of our strategy," Mr. Mackin said in an interview, is simply to "redeploy our assets to more profitable areas."

The divestitures, described by Mr. Mackin as phase one of the company's restructuring, have included the sale of Zapata's tuna fishing business for \$12 million and four oil tankers for \$90 million.

The company has also signed a letter of intent to sell its coal holdings in Pennsylvania and eastern Kentucky to subsidiaries of W.R. Grace, Hanna Mining and an affiliate of the Liberty Capital Group. The proposed purchase price has not been disclosed, but figures of more than \$100 million have been mentioned.

Mr. Mackin said phase two will be the acquisition of new businesses to reduce the cyclical nature of Zapata's earnings. His immediate concern is that the current brisk pace of oil rig construction will lead to a slump in the drilling business by the end of next year.

"We haven't gotten to the point of determining what we're interested in and where we're going to go to find it," Mr. Mackin said. A management team is now working to set new objectives.

Mr. Mackin conceded that the resulting strategy may look like a move down the same diversification path that got the company into trouble during the late 1960s and early '70s. But he said that the problem then was not expansion

into new businesses but the nature of the businesses selected.

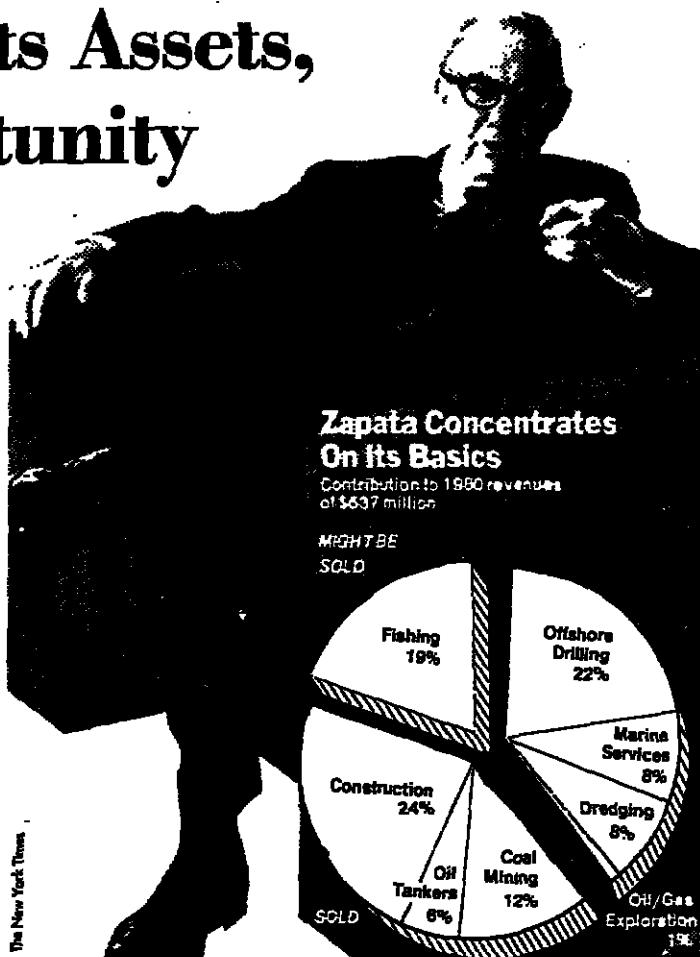
For now, four activities, all related to oil and natural gas, are the core of Zapata's operations. These activities are offshore drilling, marine support services for offshore drilling, dredging and oil and gas exploration and production. Only two activities unrelated to energy remain: A fish-processing operation and a herring and sardine cannery in Maine that is for sale.

With its divestiture program nearly complete, the company's debt has been reduced to about \$400 million while the value of its equity has increased to almost the same figure. With 19 mobile rigs scattered around the world, Zapata is the fifth-largest offshore drilling contractor in the world.

The company has only recently moved into exploration and production. "We're not a factor in that business yet," Mr. Mackin said. "But we're quite satisfied with our progress in that direction."

The corporate restructuring and the biggest oil-drilling boom in U.S. history have had a dramatic impact on Zapata's bottom line. The company's net income in the fiscal year ended Sept. 30, 1980, was \$43.6 million, or \$2.19 a share, up 103 percent from a year earlier. That gain came on a 21-percent increase in revenue, to a total of \$637 million. The return on equity rose to 18 percent after having averaged 7.6 percent for the previous five years.

Results for the 1981 fiscal year,



B. John Mackin

which ended two weeks ago, will not be announced until next month, but Mr. Mackin said the report could be expected to show another "significant" gain.

George Faspas, an analyst who follows Zapata for Robert W. Baird & Co. of Milwaukee, recently

said Zapata had made "extraordinary progress," that it was "well positioned to see offshore and rig marine service revenue advance dramatically in the next two years" and that its earnings momentum should continue in the 1982 fiscal year.

## France Gains Tight Margins for EDF

By Carl Gewirtz  
International Herald Tribune

PARIS — It was a cliffhanger. All week, the market buzzed with the rumor that France would be forced to admit defeat and humbly abandon the efforts of Electricite de France to syndicate a standby credit at the very narrow margins that France insists it is entitled to.

But late Friday lead manager Credit Lyonnais scotched the rumors — a coup for the lead manager.

### SYNDICATED LOANS

As well as for the new Socialist government of Francois Mitterrand, which has put great efforts into establishing that the credit standing of France is as good today as it was under the previous conservative administration.

Credit Lyonnais announced that the credit, to be used as a backup line for commercial paper EDF will sell in New York, is fully underwritten and will now move into general syndication with little change from the terms initially indicated. The amount — \$500 million — is at the smaller end of the targeted goal, and the commitment fee EDF will pay banks for standing ready to lend it the money will total a quarter percent instead of the 3/16 percent initially offered.

The underwriters include Algemeene Bank Nederland, Bank of Tokyo, Credit Agricole, Credit Lyonnais and Long Term Credit Bank of Japan. If a sixth underwriter had been found, the amount would have totaled \$600 million. Credit Lyonnais officials do not rule out the possibility of being able to increase the size once the credit goes into syndication next week — a view that other bankers consider wildly optimistic.

If drawn, EDF will pay 0.3 point over the London interbank offered rate for the first three years, 0.4 point over for the next four years and 0.5 point for the final three years. This works out to an effective yield to the lenders of 0.41 point over Libor — a level that bankers insist is not profitable for them.

In addition, a widely held view in the market is that France needs to pay more for money than it did up to now: Its international debt is growing and likely to continue to expand, given the government's emphasis on fighting unemployment rather than inflation.

With France now having won its point, bankers argue that it would be a mistake for the government to go on insisting that its lending terms be maintained in future operations. A total failure — which they say was perilously close in the EDF operation — would be a worse embarrassment than acknowledging that conditions in the Euromarket as well as in France have changed.

The government in fact may shift the focus of its borrowing to

the bond market, where Banque Francaise du Commerce Extérieur just scored a resounding success and where therefore the government can more comfortably claim prime terms. (For details, see the accompanying article on the Euro-bond market.)

The difficulty for France, as well as many other European states, is that Indonesia and Malaysia currently are syndicating loans at 3/4 point over Libor for 10 years — terms traditionally accorded only to the most credit-worthy industrialized states.

While Indonesia's and Malaysia's terms are not quite as generous as they seem — the less visible commissions and front-end fees are higher than France, for example, is willing to pay — the fact is that banks are using the very attractive loan terms as a way to win favor for other, more profitable, business in what is universally regarded as high growth markets.

Denmark is trying to come to grips with this situation, with no success so far. Last March, it borrowed \$600 million for eight years at a split margin of 3/4 for the first five years and half a point over Libor thereafter. Those terms were very tight for a country as heavily indebted as Denmark, and marketing that loan was extremely difficult.

Now, Denmark is seeking up to \$500 million in either a 10-year loan with the three-eighths portion running for six years or an eight-year loan with terms identical to the March loan but with lower fees. A potential syndicate of 10 banks is still haggling with the Danes over the terms.

Adding fuel to this debate is news that South Korea, which last year paid 3/4 point over Libor for seven-year money, has just achieved a new low in its borrowing costs. Korea Development Bank is raising \$500 million for eight years, paying half a point over Libor for the first four years and 3/4 point thereafter.

South Korea's lowest previous rate was a flat 3/4 point over Libor for eight years. At the new level, South Korea pays less to borrow in

the Euromarket than Italy does.

SIP, the Italian state telephone authority, is raising \$150 million for eight years at 1/2 point over Libor for the first two years and 3/4 point thereafter. AGIP Nucléaire, a subsidiary of Italy's state energy holding company ENI, is raising \$100 million for eight years at 3/4 point over Libor for the first five years and 1/2 point over Libor thereafter.

The very finest terms, as usual, are reserved for New Zealand. Government-owned Petrocorp, borrowing for the first time under its own name without any explicit state guarantee, is refinancing a loan taken out two years ago by its Offshore Mining subsidiary.

The \$500-million loan is divided equally into a five- and 10-year loan. The margin on the five-year portion starts at 1/4 point over Libor for the first three years and rises to 0.35 point for the remainder. The margin on the 10-year loan starts at 1/4 point over Libor for the first year, rises to 0.35 point for the following four years and finishes at 0.45 point over Libor for the remainder.

U.S. utilities are making increasing use of the Euromarket, having discovered that the margin they

pay over Libor is a much cheaper cost than the margin they pay over the prime rate of domestic U.S. banks. Not surprisingly, U.S. commercial banks, reluctant to undermine their own domestic loan pricing structure, are not parties to these operations — leaving the business to U.S. investment banks, which play a very small role in the syndicated loan market.

Currently Union Electric of St. Louis, Mo., is seeking \$40 million for three years at 3/4 point over Libor and an easy half-dozen other utility loans are said to be in preparation.

While bankers await details on Venezuela's medium-term funding plans, Banco Industrial is in the market for \$300 million for four years, offering a margin of 1/4 point over Libor. At the same time, Venezuela's public housing agency, Instituto Nacional de la Vivienda, is raising \$160 million in a one-year credit at 3/4 point over Libor, and Ca. Nacional Telefonos de Venezuela is raising \$237 million in a one-year credit at the same terms.

From the Mideast, the Emirate of Sharjah is raising \$300 million for six years. Details on the terms could not be learned.

### CURRENCY RATES

Interbank exchange rates for Oct. 16 1981, excluding bank service charges.

City	Unit	Rate	City	Unit	Rate
Amsterdam	100 gld	2.475	London	100 s	1.637
Berlin	100 M	1.785	Paris	100 F	6.545
Bombay	100 ru	1.282	Rome	100 L	1.366
Buenos Aires	100 p	1.785	Singapore	100 S	1.366
Calcutta	100 ru	1.282	Tokyo	100 Y	163.70
Canton	100 y	1.282	Zurich	100 S	1.637
Colon	100 c	1.282			
Hankow	100 y	1.282			
Harbin	100 y	1.282			
Hong Kong	100 h	1.282			
Kobe	100 Y	163.70			
Manila	100 p	1.282			
Medan	100 r	1.282			
Osaka	100 Y	163.70			
Shanghai	100 y	1.282			
Singapore	100 S	1.366			
Taipei	100 n	1.282			
Tientsin	100 y	1.282			
Yokohama	100 Y	163.70			

Currency	Rate	Currency	Rate
Australian \$	0.827	Israeli sheqel	12.67
Austrian schilling	13.71	Japanese yen	236.40
Belgian franc	40.33	Korean won	200.00
Canadian \$	0.727	Malay ringgit	2.335
Denmark krone	7.460	Norwegian krone	5.34
Dutch guilder	2.336	Philippine peso	0.024
French franc	6.545	Portuguese escudo	0.020
German mark	3.375	Spanish peseta	166.64
Italian lira	2.036	Swedish krona	5.34
Japanese yen	236.40	Swiss franc	1.637
Malay ringgit	2.335	Thai baht	20.00
Norwegian krone	5.34	U.S. dollar	1.000
Philippine peso	0.024		
Portuguese escudo	0.020		
Spanish peseta	166.64		
Swedish krona	5.34		
Swiss franc	1.637		
Thai baht	20.00		
U.S. dollar	1.000		

## Kaufman Put Damper on Bonds

By Carl Gewirtz  
International Herald Tribune

PARIS — Henry Kaufman knocked the euphoria out of the bond markets last week, reaffirming his view that while interest rates may be softening the downward trend will be short-lived.

This represents no change in how the Salomon Brothers economist sees the future. But the reiteration had a dampening effect, especially as rumors had begun circulating that Mr. Kaufman was on the verge of recanting his negative outlook.

Nevertheless, a substantial volume of new issues was marketed. The only difference was that investors were rather selective about what they bought and how they went about it.

"No one was chasing after paper," as one banker put it.

But investors believe that however much higher interest rates may rise, current bond yields will prove to be a wise investment when rates finally decline over the

next few years — as surely they must.

Widely touted as the success of the week was the French government's first foray into the market since the Socialists took over last

### EUROBONDS

May. Banque Francaise du Commerce Extérieur hit the market for \$75 million of five-year paper bearing a coupon of 16 percent and two warrants to buy two additional bonds over the next 12 months. The issue was a sellout and the amount of the offering was increased to \$100 million. Of particular note is the fact that the coupon is the lowest of any issue currently on offer.

Less universal is the analysis of what this means. The French see the success as evidence of the market's high regard for French signatures and are already set to launch a new issue with Credit Commercial de France acting as lead manager. The borrower is described as a

state entity which has never tapped the international market.

Outside France, however, BFCE's success is seen as having less to do with the name of the borrower than with the fact that the warrants are deemed to be very attractive. The theory is that while interest rates may yet set a peak, such high rates cannot be sustained indefinitely and therefore the right to purchase at par bonds bearing a coupon of 16 percent within the next year is bound to be lucrative.

That this is the way the market views the BFCE issue is shown by the performance in the secondary market. The BFCE bonds without the warrants are trading at 97 1/2, putting the yield at 15.83 percent — nearer the top end of those currently offered instead of at the bottom. The warrants themselves are trading at \$15 to \$17 each. The package of bonds with warrants is trading at par, slightly less than the sum of the individual parts —

(Continued on Page 11, Col. 5)

## Iraqi Air Raid Appears To End Iran Oil Export

BAHRAIN — Iran's ability to export even a modest amount of oil in the months to come is in doubt following an Iraqi air raid last month, the authoritative Middle East Economic Survey reported Sunday.

Iran had been unable to pump oil to its main loading terminal at Kharg island in the Gulf since the raid on Sept. 30 on the vital Gurrh pumping station, the Nicosia-based oil newsletter said. Its sources in the Gulf believed that damage during the raid was heavy and could take months or even a year to repair.

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Sumitomo Finance International	Banque Nationale de Paris
Asia Pacific Capital Corporation Limited	Bank of Tokyo International Limited
Credit Lyonnais	Credit Suisse First Boston Limited
Dai-ichi Kangyo International Limited	The Development Bank of Singapore Limited
Fuji International Finance Limited	IBJ International Limited
Manufacturers Hanover Limited	Mitsubishi Bank (Europe) S.A.
Morgan Stanley International	Nippon Credit International (HK) Limited
Nomura International Limited	Salomon Brothers International
Sanwa Bank (Underwriters) Limited	Société Générale

October 1981



International Bond Prices - Week of Oct. 15

Provided by White Weld Securities, London; a Division of Financiere Credit Suisse - First Boston

Table of international bond prices with columns for Amt, Security, % Mat, Mktg Price, Yield, and various other metrics. Includes sub-sections for EUROPEAN INSTITUTIONS, JAPAN, and AUSTRALIA.

Table of convertible bonds with columns for Amt, Security, % Mat, Mktg Price, Yield, and various other metrics. Includes sub-sections for EUROPE, AUSTRALIA, and SOUTH AFRICA.

CONVERTIBLE BONDS

Table of convertible bonds with columns for Amt, Security, % Mat, Mktg Price, Yield, and various other metrics. Includes sub-sections for EUROPE, AUSTRALIA, and SOUTH AFRICA.

Chicago Exchange Options For the Week Ending Oct. 16, 1981

Table of Chicago Exchange Options with columns for Call/Put, Price, and various other metrics. Includes sub-sections for various commodities and currencies.

Advertisement for General Motors Acceptance Corporation of Canada, Limited. Features a \$60,000,000 offering of 18% Notes Due October 1, 1987. Lists various international banks and financial institutions.

Advertisement for Tenneco International N.V. featuring a \$100,000,000 offering of 17% Guaranteed Notes Due October 1, 1989. Lists various international banks and financial institutions.



الجمهورية العربية السورية

## Gold-Backed Dollars: Where to Invest Them

By Kenneth B. Noble

*New York Times Service*  
**NEW YORK** — You have a hunch that the Reagan administration will return to the gold standard. You might be in a tiny minority, but as an investor, you know that big rewards, not to mention big losses, can go to those who put their money where their hunches are. So, allowing for your stout-hearted disposition and your belief that the United States will switch to gold, where should you put your money?  
 Above all, you bet against inflation. Under a gold-based system, the government would agree to exchange a specified amount of gold for dollars at a fixed price. This linkage, say the proponents of a gold standard, would bring rigid discipline to the money supply by discouraging the government from printing ever more dollars to pay ever-rising debts. In time, inflation and interest rates would plunge and then stabilize.

Whether gold enthusiasts will eventually prevail depends largely on the president, who can start the process by reopening the "gold window" for foreign central banks through an executive order. (Congress, however, would have to enact legislation to return the country to the gold standard.)  
 Mr. Reagan, who as a candidate urged reinstitution of the gold standard but who has been less vocal on the issue since, appointed a commission in August to study some way of linking gold to the dollar. He has indicated that he would wait for its findings — due by March, 1982 — before taking any action.

The gold standard was suspended in the United States in 1933, mainly because of worldwide depression. In 1944, gold was pegged to the dollar and the dollar to other currencies, with the United States pledging to exchange gold for dollars with foreign central banks at the so-called gold window. Then in 1971, President Nixon, faced with persistent demands by foreign central banks, shut the gold window.

### Investment Key

The key to investing in anticipation of a gold standard is to find investments that will flourish as the economy deflates. "What the market has been doing for the past few years is buying inflationary hedge stocks — assets in the ground, trees, real estate, and so on," said James Balog, senior executive vice president of Drexel Burnham Lambert. "With a return to the gold standard, one would look for the things that were hurt in the process of inflation, and the thing that stands out is longer-term bonds."

So, assuming that reinstating the gold standard succeeds in curbing inflation, and short-term

interest rates return to their roughly equivalent historical correlation with inflation — requiring a drop of about eight percentage points — analysts would predict a healthy drop in long-term bond yields and a rebound in their prices.

"If in the future you could get 13 percent, tax-free yield, then that's like 26 percent after taxes, and long-term bonds would be outstanding values," explained David Drexler, managing director of Drexler, Gray & King, an investment counseling concern. "I would certainly go out and buy some of these prices."  
 The outlook for stocks, however, might not be so promising. If the money supply were defined by a fixed amount of gold, and deflation resulted, corporate earnings could tumble, and stock prices could follow. But most gold standard advocates reject this scenario. They believe that a return to the gold standard would generate more private savings and investment, and ultimately lift equity prices.

Either way, if the gold standard came back, Mr. Balog would recommend pure growth stocks — "stocks where the actual volume of output is growing as opposed to the price." High technology companies would be very attractive, he said. He is also optimistic about interest-sensitive concerns such as banks and the new financial services conglomerates.

He also sees potential plays in the currency markets for the wealthy investor. "I would say that other currencies would tend to be



overvalued so there would be realignments where an investor could make money by shorting other currencies and buying the U.S. dollar long," he said.

Investments to avoid in a deflationary environment would be those tangibles that were collected as inflation hedges in recent years — from real estate to fine art. With an outlook for lower inflation, or even declines in the price of some goods, investment in all tangible assets might be reconsidered.  
 "The rule of thumb for an investor, assuming less inflation in the future, is that anything tangible is overvalued, and that includes oil properties and real estate, particularly in speculative areas like California," said David M. Jones, an economist for Aubrey G. Lanston & Co. He, too, would favor bank stocks, and such recession-proof stocks as those of drug companies, utilities and food concerns. And

money funds, he said, would be a place for the assets that had been in collectibles and real estate.

"A good idea would be to put your money in bank stocks or any other lending-institution stocks," Mr. Jones said, "because suddenly they will find profits after being severely impaired by excessive inflation, monetary expansion and the sort of conditions that serve as the opposite of the gold standard. Any institution that is essentially borrowing short and lending slightly longer would benefit greatly. To put it another way, the lender would now benefit relative to the borrower."

### Traders' Reactions

Until President Nixon closed the gold window, the Treasury's official price was \$35 an ounce. Three years later, the right of Americans to own gold, suspended since the 1930s, was restored. Since then, world market prices have fluctuated wildly, reaching their peak of \$850 in January, 1980. Gold now trades for about \$450 an ounce.

An administration announcement that the gold standard would be restored would likely lift the volume of trading in gold. As the theory goes, the market price at which gold ultimately settles would be used as the benchmark for the final fixing of the official price. After that, there would be little point in trading, say gold advocates, because, at a fixed price, gold could lose its speculative appeal.

For the estimated 5 million to 10 million Americans who hold gold coins or bullion, the official price would be crucial. Some gold standard proponents have suggested that a price between \$200 and \$300 an ounce might be plausible.

Others, such as Charles Stahl, publisher of Green's Commodity Market Comments, a gold journal, are more skeptical. "If the United States announced today that we are going on a gold standard six months from today, the price of gold will shoot up — I'm willing to bet it will surpass by far the crazy high of \$850 in January of 1980," he said.

## Comment by Kaufman Put Damper on Bonds

(Continued from Page 9)

a function no doubt of the speculative element that the warrants offer on minimal cash outlay.

BFCE's coupon of 16 percent compares favorably with the 16.6 percent General Motors Acceptance Corp. paid for three-year money, and while British Columbia Hydro is offering 16 1/2 percent for seven-year money, that issue is moving very slowly.

The GMAC issue, priced at 99 1/2 bearing a coupon of 16 1/2 percent, was increased from \$150 million to \$225 million and finally to \$300 million. Dealers said that this was about \$25 million too much for the market to bear as the paper ended the week at 98 1/2 bid-99 offered.

BC Hydro's \$100 million seven-year bonds, guaranteed by British Columbia, was priced at par in the euphoria prevailing before Mr. Kaufman's comments and suffered subsequently. Estimates in the marketplace put subscription for the issue at about \$20 million, but lead manager Deutsche Bank said that such comments were nonsense as demand from its own clients exceeded that amount. BC Hydro ended the week quoted on a when-issued basis at 98 1/2.

A \$75-million issue for Ireland was another victim of the Kaufman comments. Bearing a coupon of 16 1/2 percent and priced at 99 1/2 to yield 16.55 percent — terms which were already anticipating a strong rally in the bond market — Ireland's seven-year paper elicited little demand and ended the week at 97.

Ohio Edison's seven-year issue, priced at 99 1/2 bearing a coupon of 17 1/2 percent to yield 17.56 percent, was increased \$25 million to \$75 million and ended the week quoted at 98 1/2-99 1/4.

Ohio's issue was one of the few to be marketed in the classic fashion — final terms set in light of market response. Virtually all of the others were priced with a syndicate of managers deciding among themselves what price and coupon they were willing to accept before testing the response of investors.

Another exception was a \$75-million issue for Pemex, Mexico's state oil agency. These five-year notes were priced at par late Friday, bearing a coupon of 17 1/2 percent.

With a fair amount of BC Hydro and Irish paper remaining to be placed and with bankers unsure how the market will react to the large — albeit expected — increase in the U.S. money supply announced late Friday, no new fixed-rate dollar issues have been scheduled.

By contrast, floating-rate notes, which offer investors maximum protection against the vagaries of short-term interest rates, continue to be offered.

A new wrinkle on this formula is being introduced by Orion Royal Bank for Oesterreichische Kontrollbank, which is selling \$100 million of five-year floating-rate

deposit notes — combining the features of a six-month certificate of deposit with a five-year floating-rate note. Investors are offered the option of requiring OKB to repurchase the notes at par at the end of each six-month interest payment period and OKB reserves the right to resell such notes if it can. It also intends to issue a further \$100 million of such notes, but the timing of that remains unspecified.

The notes, guaranteed by Austria, are intended for institutional investors, with minimum denominations set at \$1 million. The rate of interest will be set at a quarter-point below the bid rate for six-month Eurodollars.

### 6-Month CD Rates

Traditionally, interest on floating-rate notes are set at a quarter-point over the offered rate, or, for top banks, at the bid rate. (Generally, there is an eighth of a point difference between bid and offered rates.)

The object of the OKB transaction is to sell five years' worth of six-month paper at a rate of interest comparable to what top banks pay for six-month certificates of deposit. Top U.S. banks sell six-month CDs at about a half-point below the six-month bid rate.

Orion, in conjunction with European Banking and Manufacturers Hanover, are not underwriting the transaction but will endeavor to place the notes as dealer-managers. While the coupon will be set at a quarter-point below the bid rate, the selling price remains to be negotiated.

Thus, the notes could be sold at a discount so that the effective yield to investors was equal to the six-month bid rate, for example. It remains for OKB to decide at what price it sells the paper depending on the advice of the dealer-managers. The expectation is that as a credible secondary market for these listed notes develops, OKB will be able to sell paper at a quarter-point below the bid rate, but that until that happens it will be forced to offer slightly sweeter terms to develop the market.

### Mexican Bank Issue

Meanwhile, Oesterreichische Volksbank is offering \$25 million of classic FRNs with the interest on the eight-year notes set at a quarter-point over the six-month offered rate. It guarantees a minimum coupon of 5 1/2 percent.

Nacional Financiera, Mexico's national development bank, is selling \$150 million of nine-year notes with interest set at a quarter-point over the six-month offered rate. Investors have the option to redeem the notes at par at the end of the third or the sixth year. A 1-percent premium will be paid to those who hold the notes to final maturity with redemption of each \$1,000 note set at \$1,010.

Bank of Montreal increased to \$125 million from \$100 million initially indicated its 10-year issue of FRNs. Interest will be set at 1/4

point over the offered rate with a minimum coupon of 5 1/2 percent guaranteed.

In the convertible sector, Wal-Mart International Finance is seeking \$30 million through a 15-year issue that will be convertible into the shares of Wal-Mart Stores at an anticipated 10-to-12 percent premium over the current New York Stock Exchange quote. A coupon of 8 1/2-9 percent is indicated. The issue is reported to be selling very slowly — not surprising in light of the performance of stock markets worldwide.

The Deutsche mark sector of the bond market was set back last week as domestic interest rates crept up a notch when four-year Post Office paper was sold to yield 10.48 percent compared to the 10 percent paid a week earlier by the government.

Demand for DM Eurobonds turned sluggish and prices eased up to a point. The recent 10 1/2-percent issues for the Council of Europe and Swedish Export Credit, both priced at par, quoted at 99-99 1/2.

Currently on offer is 100 million DM for the Mortgage Bank of Denmark. The 10-year issue bears a coupon of 10 1/2 percent. The price, currently expected to be at a discount from par, will be set early next month.

The issue scheduled by Deutsche Bank for a non-European industrial corporation (rumored

to be Ford) has been postponed, presumably because the borrower expects to be able to pay a lower coupon by waiting a bit.

There will be no further EuroDM issues until the November calendar is set by the capital market subcommittee, which meets Oct. 26.

Elsewhere, the World Bank is expected to offer 100 million Norwegian kroner of five-year notes bearing a coupon of 12 1/2-13 percent.

In the Canadian dollar sector of the market, Hudson's Bay sold only 40 million dollars of its intended 60-million-dollar issue at par bearing a coupon of 18 percent and announced that the remainder of the six-year notes may be sold at a price to be determined by market conditions up until next Feb. 3.

Eurobond Yields*	
Week Ended Oct. 14 (U.S. Dollars)	
International institutions	15.34 %
Industrials, long term	15.68 %
Industrials, medium term	16.44 %
Canadian dollars, medium term	17.30 %
French fr. medium term	17.84 %
Unit of acc. long term	11.53 %
* Calculated by Luxembourg Stock Exchange	

Market Turnover		
Week Ended Oct. 16 (Millions of U.S. Dollars)		
Total	4,977.3	3,967.2
Cedel	5,915.3	5,546.3
Eurocl.		830.1
		369.0

## Tin Prices Are Raised 6.85%

*Reuters*  
**KUALA LUMPUR** — The world's major tin producers and consumers have agreed to a price increase of nearly 7 percent after three days of tough bargaining, delegates at an International Tin Council meeting said Saturday.

The producers — Malaysia, Thailand, Indonesia, Bolivia, Zaire, Nigeria and Australia — had originally pressed for a 12.5-percent increase, but agreed Saturday to compromise at 6.85 percent, the delegates said.

The consumers' initial offer was a 4.5-percent increase. The agreement raises the price band for the International Tin Agreement (ITA), which aims to stabilize prices within a fixed range by sales and purchases from a central buffer stock.

### Some Dissatisfaction

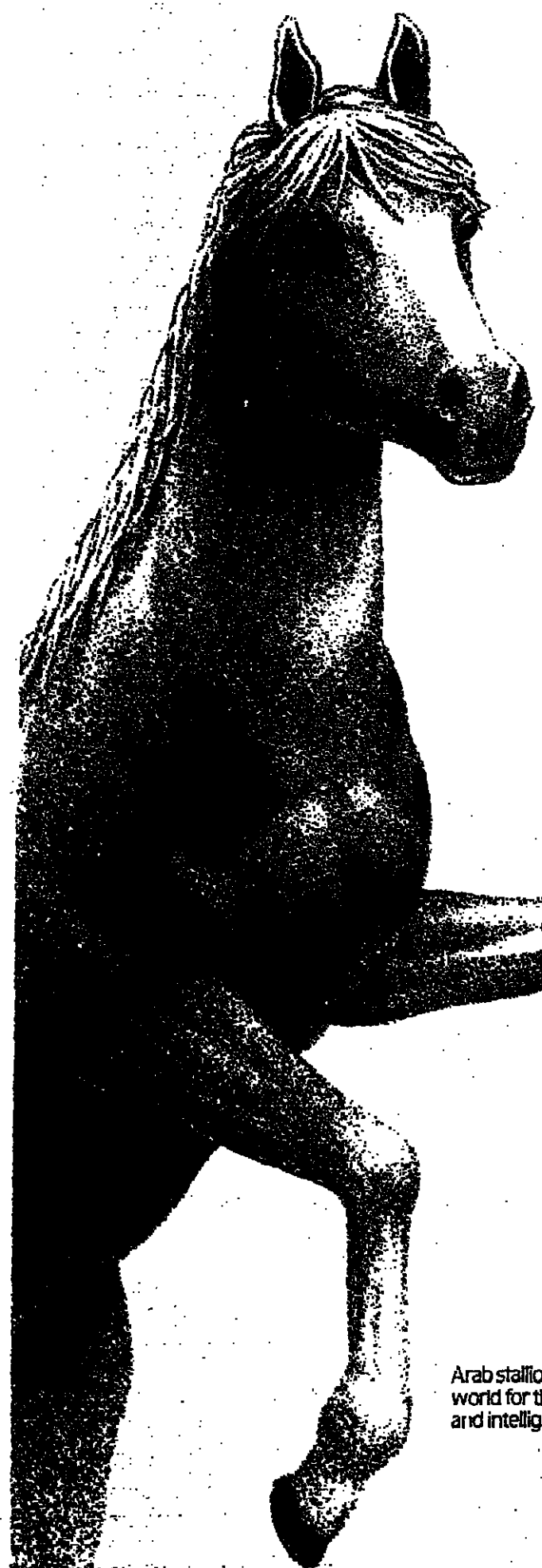
Delegates said that the seven producers and 22 other nations represented were not all pleased with the outcome. The European Economic Community, collectively the largest consumer, remained divided on the scale of the increase.

The United States, the largest consumer, cast a cloud over the meeting here by announcing recently that it was opting out of the sixth ITA, which goes into effect when the current pact expires next June. In December, Common Market countries debate whether to join the sixth agreement.

Several delegates estimated that any increase of more than 7 percent would have allowed speculators to unload, at a profit, 8,000 to 12,000 metric tons of tin piled up before this week's conference.

Consumer delegates said that two traders, one in London and one in the United States, were behind the wave of buying, but the identity of their financiers remained unknown.

Among EEC states, West Germany and Britain wanted assurances that if a 6.85-percent rise were approved, producers would not seek further increases at TTC meetings in January and March next year, informed sources said. Delegates noted, however, that there were no preconditions in the agreement, which took effect immediately.



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International Bond Prices - Week of Oct. 15

Provided by White Weld Securities, London; a Division of Financiere Credit Suisse - First Boston

Table of international bond prices with columns for Security, Middle Price, Conv. Pct., and Curr. Yld. Includes sub-sections for 'HIGHEST CURRENT YIELDS' and 'Explanation of Symbols'.

Over-the-Counter

Table of over-the-counter securities with columns for Security, High, Low, Last, and Net.

Main table of over-the-counter securities with columns for Security, High, Low, Last, and Net.

Table of Gold Options with columns for Price, Vol., and Expiry.

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Gold Options table with columns for Price, Vol., and Expiry.

Advertisement for International Income Fund, providing details on investment options and contact information.



Handwritten signature or initials in a box.

Over-the-Counter

Table of stock prices for various companies, including columns for 'Selling' and 'Buying' prices.

Table of stock prices for various companies, including columns for 'Selling' and 'Buying' prices.

Consolidated Trading Of AMEX Listings

Table of AMEX listings with columns for 'Selling', 'Buying', and 'Change'.

Selected College Football Results

Table of college football game results, including team names and scores.

Mutual Funds

Table of mutual fund performance data, including fund names and returns.

Consolidated Trading Of NYSE Listings

Table of NYSE listings with columns for 'Selling', 'Buying', and 'Change'.

Treasury Bills

Table of Treasury bill rates and yields.

NHL Standings

Table of NHL team standings, including columns for 'W', 'L', 'OT', 'GF', and 'GA'.

CFL Standings

Table of CFL team standings, including columns for 'W', 'L', 'OT', 'GF', and 'GA'.

NBA Exhibition

Table of NBA exhibition game results.

Italy, Yugoslavia Tie, 1-1

Text article about the soccer match between Italy and Yugoslavia.

Advertisement for Baxter Travenol International Capital Corporation, mentioning convertible preferred stock.

Advertisement for United Overseas Bank, featuring 'GENÈVE' and a new telephone number '31.98.41'.

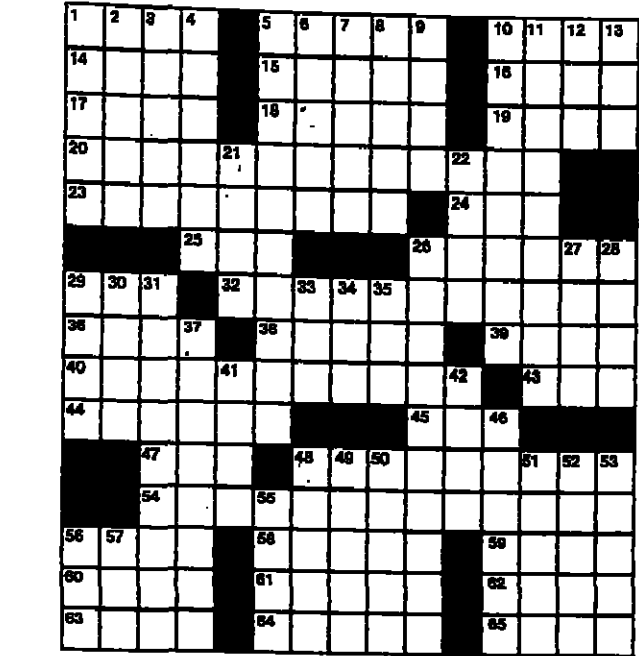
Advertisement for Pacific Western University, highlighting a 'COLLEGE DEGREE' program.

Large advertisement for 'American Exchange Options' and 'Escorts & Guides', including contact information for various agencies.



CROSSWORD

By Eugene T. Maleska

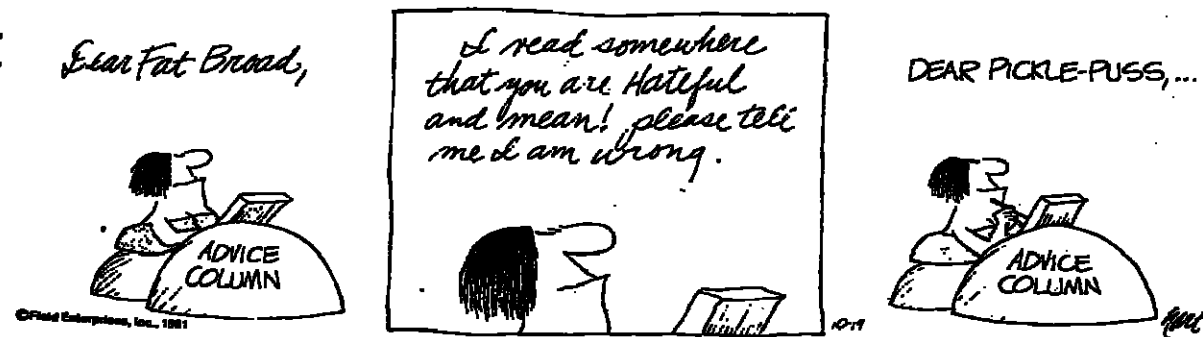


- ACROSS: 1 Froth, 5 Young oysters, 18 Platform, 14 Writer, 15 Bones, 16 —ditto, 17 Nothing in, 18 Phipkins' cousin, 19 Maculation, 20 Lust, 23 Exalts, 24 Constellation, 25 D.C. body, 26 Come forth, 28 Unit of pain, 32 Torpid state, 36 Ditto, 38 Noted Danish composer, 43 Muffin, 44 Privileged convict, 45 Certain drs., 47 Cologne-to-Trier, 48 With an amused expression, 54 Shrewd, 56 City on the Wabash, 58 Cloth pattern, 59 The Danube, in Hungary, 60 Pity!, 61 —Simple, 62 Nervous, 63 Breed of terrier, 64 Foments, 65 Make an incised mark, 21 Bear up in the skies, 22 Rottenrot, 26 —National, 27 Start of a Mitchell title, 28 City of Judah, 29 Gossip, 30 Baltic feeder, 31 Cleric's exhortation, 33 Sibling, for short, 34 Add (up), 35 Words to a J.P., 37 Rubdown expert, 41 Roman route, 42 Hercus, 46 Duke of diamond fame, 48 Take it on the lam, 49 Orange Bowl locale, 50 More frigid, 51 Dutch cheese, 52 Skin divers' gear, for short, 53 Belgian composer-conductor, 55 Resorts, 56 Ballet step, 57 Wearer of a tooth

PEANUTS



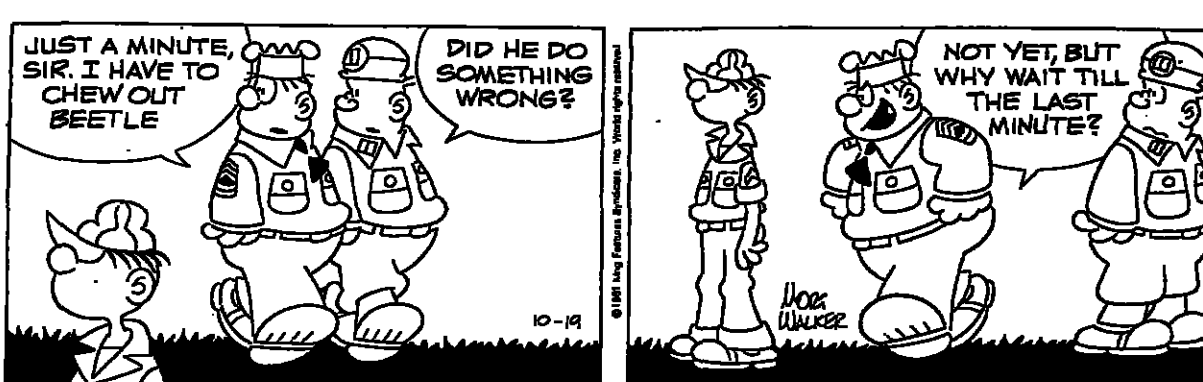
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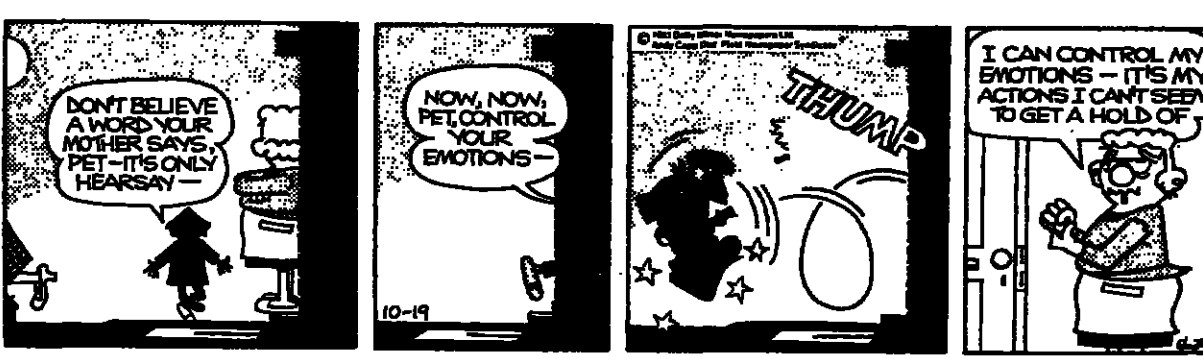
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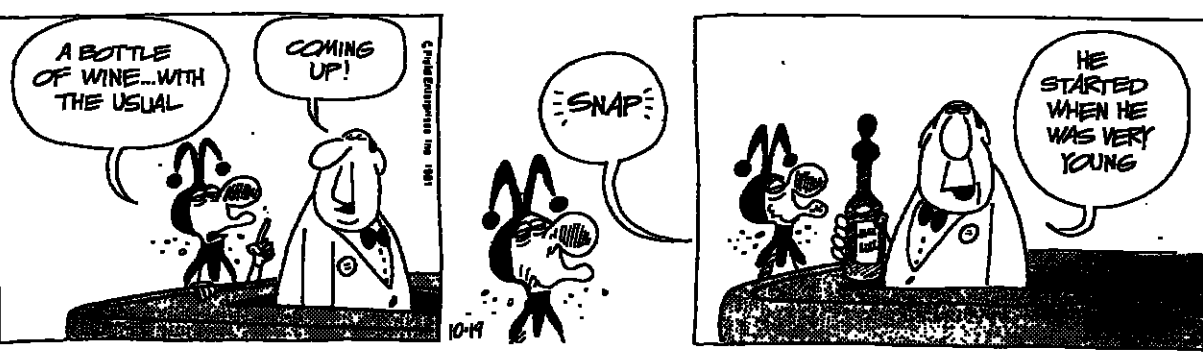
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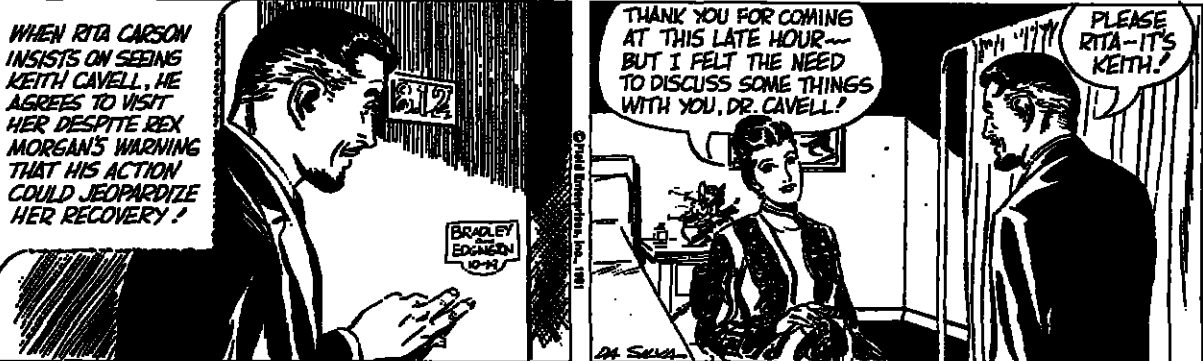
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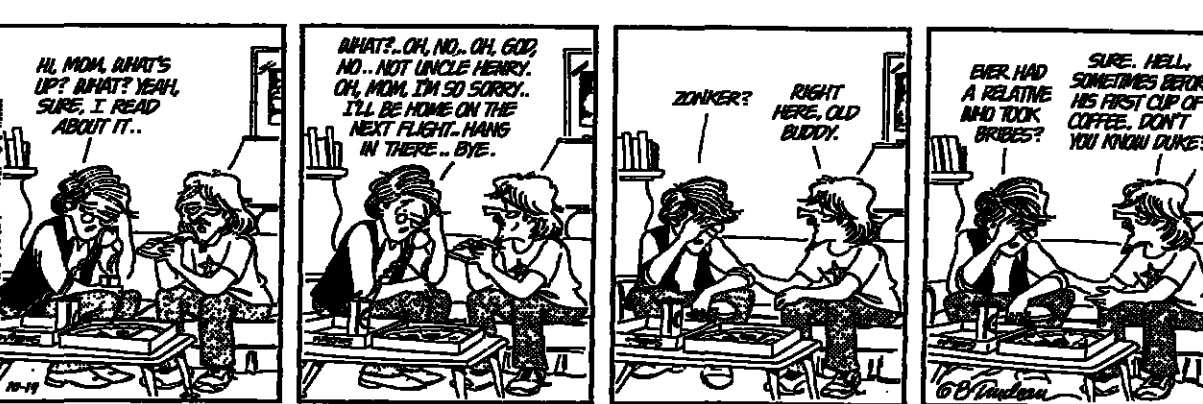
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R.E.X. M.O.R.G.A.N.



D.O.N.E.S.B.U.R.Y.



BOOKS

THE HISTORY OF AMERICAN WARS

From Colonial Times to World War I

By T. Harry Williams. 435 pp. \$20.

Alfred A. Knopf, 201 East 52nd St. New York 10022.

Reviewed by Kenneth Friedenreich

FEWER histories end on so happy a note. T. Harry Williams surveys the international scene after World War I and declares the United States winner. "Its economy had been immensely stimulated by the war; and, supplanting Britain, it emerged as the financial center of the West, the creditor of all the other belligerents. Although this was not recognized immediately at home or abroad, the United States was now in fact the greatest power in the postwar world. Williams died in July 1979, and his valdictory effort shares with other valdictionaries a sense of calm assurance. He surveys the vast historical and military lore of Americans at war, balancing the orthodox and the revisionist, the doctrinaire and the speculative, without himself marshaling an army of footnotes and obscure references. For instance, he examines the U-boat theory many believe brought the United States into the Great War in 1917. Without denying the provocative nature of the submarine attacks, Williams imagines the decision to commit U.S. troops rested upon President Wilson's perception of the ideological clash between powerful, expansionist democracies on the one hand and powerful, expansionist monarchies on the other. The president believed a German victory would threaten United States security, not in some faraway jungle, but along the eastern shore.

Where professional historians might rightly contest some of Williams' generalizations, the casual reader, for whom this work seems intended, benefits. The book's strength is its sweep of narrative. We see the United States born of war in the earliest colonial skirmishes with Indians. Williams alternates descriptive chapters between causes and campaigns, vindicating a thesis inspired by the military genius Karl von Clausewitz: "War is not merely a political act, but also a political instrument, a continuation of policy carried out by other means." We follow American settlers and their successors as they are weaned from European notions of war by harsh encounters with natives. Williams describes how our forebears exhibited audacity as often as bravery in battle, how they pragmatically solved problems of tactics and how they produced everything required for war, from provisions to pistols to paratroopers. Nowhere does this stamina tell more than in the chapters on the Civil War.

War Extends Policy

This is a worthy book. Inevitably, though, amid the body counts and strategy, war loses its human face. For that face, we must look to poets. Moreover, the most disturbing aspect of this history emerges from its thesis. Many American triumphs at war occur despite its leaders' and people's ignorance that war extends policy to meet political objectives. Such ignorance may mean little to a naive young, virile, inventive. But what happens when the growth curves of American population and resource begin to level off, even decline? Surely Williams should have grappled with the question in his discussions of the Second World War, the Korean War and the Vietnam horror. Instead, we must do so.

Kenneth Friedenreich is associate professor of English at Scripps College. He wrote this review for The Los Angeles Times.

Solution to Friday's Puzzle

Grid with words: RAP, CLAMP, PICA, GELL, RADII, NALE, GEAR, AEGIS, LICOR, ORATION, ANALOGY, FORSAKE, ILL, AMY, PASTIMES, CLIMB, JUXTAPOSE, AES, PALES, ASP, PALISADES, BENET, ENAMELED, BOA, PRE, QUARTET, STREETS, ARTLESS, TOUR, QUISTS, DATA, OMNI, TREAT, OWNER, PEEL, SEARS, MBS

CHESS

By Robert Byrne

MERANO, Italy — Anatoly Karpov of the Soviet Union, the world chess champion, and Viktor Korchnoi of Switzerland, the challenger, drew the seventh game of their title match in 31 moves here in the Kurzentrum on Saturday night. Karpov thus retained his lead of three victories to one. This was the third draw in a contest in which draws do not count. The prize of 500,000 Swiss francs (about \$260,000) will go to the winner of six games. The loser's share is 300,000 Swiss francs (about \$160,000).

Korchnoi approached this seventh game in a nervous mood, according to his second, grandmaster Michael Stean of Britain. Saturday was the third anniversary of the final game of their previous match in Baguio City, the Philippines, the game that enabled Karpov, 30, to retain the championship. In that 1978 game, the 32d of the title series, Korchnoi had gambled on a surprise Pirc Defense that had backfired and led to his defeat. His advisers had not wanted him to play aggressively because they felt that Karpov was exhausted and would have collapsed against safe play in a few more games. But Korchnoi is rarely able to play anything safe and he could not hold himself back from the adventure that ruined him. Stean has said, "Viktor cannot play for a draw — he's too pugnacious."

He was at a very favorable point of the 1978 match, for Karpov, after establishing a 5-to-2 lead, dropped three games in a row with poor end-game performances. The momentum, the morale, everything was going for the challenger — except his patience. Because Korchnoi is superstitious, he feared that the kind of thoughtless aggression that had gotten hold of him then would again ruin him Saturday night. Perhaps that is why he offered the draw — not that the time was not ripe for a cessation of hostilities, but he rarely offers a draw, and plays to the bitter end. Karpov could not have found much point in refusing the offer since 31 ... R-Q1; 32 R-Q; R-R; 33 R-R6, R-Q1 (he must defend against White's threat to double rooks on the eighth rank); 34 R-P; P-Q6; 35 R-Q1, P-Q7; 36 R-R5, both players followed their fifth game up to 13 P-F, when Karpov diverged from his discussions of P-F with 13 ... B-N2! On 14 P-F, P-Q5! Black would have had a strong attack, so Korchnoi declined the gambit. Miguel Najdorf, the Argentine grandmaster, suggested that White try a gambit of his own with 16 P-QN4! P-F; 17 R-B7, Q-R-N1; 18 B-R3, KR-Q1; 19 Q-Q4 or 16 ... P-B5; 17 N-Q4, but Korchnoi preferred to develop solidly with 16 Q-N3 to work against Karpov's hanging pawns at Q4 and Q4. Karpov refused to allow these pawns to become blocked on light squares with 19 ... P-B5 when 20 N-B3, P-R5; 21 N-Q4 favors White. Instead, he tried to solve his problems tactically with 19 ... P-R5!; 20 N-Q3, P-Q5!; one point being that 21 B-R; P-Q5; 22 N-F; N-N; 23 R-N; P-F; 24 P-F, R-N6!; 25 P-R; QxP would get Black at least a draw. The main question is why Korchnoi did not play 21 P-K4?; defending this pawn so that he could go for a draw — he's too pugnacious."

RADIO NEWSCASTS

BBC WORLD SERVICE table with columns for time, frequency, and region (Western Europe, Middle East, etc.).

VOICE OF AMERICA table with columns for time, frequency, and region (Western Europe, Middle East, etc.).

RADIO CANADA INTERNATIONAL table with columns for time, frequency, and region (Western Europe, Middle East, etc.).

WEATHER

Weather forecast table with columns for High, Low, and conditions for various cities like ALBUQUERQUE, ALGIERS, AMSTERDAM, etc.



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JUMBLE. THAT SCRAMBLED WORD GAME

Jumble game instructions and word lists: SOBAS, ALUVE, VISTEN, REBURB. Includes a cartoon of a man thinking.

DENNIS THE MENACE



Print answer here: (Answers tomorrow) Saturday's Jumble: HARRY CHAFF DIGEST GENTLE Answer: What the ballet dancers shouldn't have named their daughter—GRACE

Imprimé par P.I.O. - 1, Boulevard Ney, 75018 Paris



# Hooton's Pitching Keeps Dodgers Alive

## Los Angeles Outlasts Montreal, 7-1, After Expos Triumph in Game 3

By Mark Heisler  
Los Angeles Times Service

**MONTREAL** — The Quebecois sat poised for the moment, 54,459 strong and the rest of the Canadian province watching on television, singing their hating songs, drinking their beer, waiting for the first Expo baseball pennant that had to be just minutes away. And unromantic Burt Hooton took it all away from them.

He outlasted them all, the fans, the Expos and his Dodger teammates who were in the process of turning the runner-left-on-base into an art form. He won finally, 7-1, after Steve Garvey broke the tie with a two-run, eighth-inning homer, and the Dodgers had dodged the bullet again. For the fourth time in eight days, they had had to win or go on vacation and they had won.

On Friday, Steve Garvey pitched a seven-hitter and Jerry White backed him with a three-run homer to give the Expos a 4-1 triumph. Rogers worked in and out of trouble before setting down in the later innings in a game that began in 46-degree (8 degrees Celsius) weather. Jerry Reuss, who

had not allowed a run in his previous two 1981 post-season starts, took the loss.

Saturday's victory tied the National League championship series at two games apiece and sent the two teams into Sunday's deciding fifth game. Fernando Valenzuela vs. Ray Burris. Valenzuela beat the Expos twice in the regular season, including once on a three-hit shut-out, and compiled a 1.50 ERA against them.

"There's nothing particularly outstanding about him except he's a rookie and gets all that publicity and all," the Expos' Andre Dawson said after Game Two of this series, in which the Expos beat Valenzuela, 3-0. That's how deep the mutual respect between these great teams runs now.

Hooton went 7 1/3 innings Saturday and allowed an unearned run. He has not given up an earned run in 18 1/3 innings and only one in his postseason play. He is 3-0 in the playoffs, and the Dodgers have only won five games. Of the four games that could have ended the Dodger season, Hooton has won two.

And when this one was over, his teammates were in their clubhouse, roaring the Quebecois' favorite hating song, The Happy Wanderer, complete with its laughing chorus. Hooton just conducted his interviews quietly.

Let Down by Hitters

To get to this point, he had had to retire all those Expos and watch his teammates leave all those runners on against Bill Gullickson. Three of them at third base and three more at second in the first six innings.

At this time, the Dodgers had got nine runners on and scored one run. It was unearned.

"I was getting more or less perturbed at my own hitters," Hooton said later. "I know it's frustrating for them and they're trying, but I was getting a little mad."

His manager, Tom Lasorda, meanwhile, was getting a little scared. His hitters would leave a runner and Hooton would march out and battle the Expos, and come back in and watch his teammates leave another runner or two.

"When you're pitching a ball game, it's a little difficult if you're being denied runs," Lasorda said. "Sometimes you have a tendency to get a little disturbed. I kept watching him for that."

"What were you like when you had that problem?" someone asked Lasorda, who pitched briefly in the 1950s for the Brooklyn Dodgers and Kansas City A's.

"Oh man," Lasorda said. "I'd have been screaming. I'd have been hollering. I'd have been telling those guys to score some runs. I'd walk up to guys and punch 'em right in the nose because they didn't drive in runs."

"You don't really mean that," someone said.

"You're damn right I do," Lasorda said. "I remember grabbing Sandy Amoros by the throat one time and squeezing him until his eyeballs were popping out."

Different Temperament

Mercifully, Hooton is calmer, or half the Dodger franchise would now have its eyeballs popping out. In the first inning, Dusty Baker and Garvey left Davey Lopes at third with one out; in the second, Mike Scioscia grounded into a double play with runners at first

and third with one out; in the sixth Baker was thrown out at the plate trying to score on Ron Cey's grounder, and in the same inning, Rick Monday and Pedro Guerrero struck out with runners at first and second.

The Dodgers scored their unearned run in the third, Baker doubling Bill Russell in from first. The Expos scored their unearned run in the same inning, Warren Cromartie singling in Gary Carter from second.

It stayed that way until the eighth. With one out, Baker hit a ground ball between short and third; the Expo third baseman, Larry Parrish, was playing the line and couldn't get there. Garvey hit the next pitch out of sight.

The Dodger bench spilled onto the field and started dancing before the ball landed. Garvey has been the Dodgers' best hitter in postseason play, but at that point he had been retired in seven of his last eight at-bats with runners on base.

"I was thinking of driving the ball," he said. "He'd started me off with breaking pitches early in the game and the pattern had been not to throw me fastballs with runners on base. I mentioned to some guys on the bench, I'm just looking sliders or in a good location."

An inning later, the Dodgers bombed Woody Fryman, Elias Sosa and Bill Lee, representing the Expos bullpen. There was a two-run single by Baker, an RBI single by Cey and another by Reggie Smith, pinch hitting. In its only two appearances, the Expo bullpen has gone two innings and has been hit for seven runs.

Hooton got one out in the eighth, but the Expos got two men on and Hooton was gone. Bob Welch blazed a third strike past Parrish and retired the ever-dangerous Jerry White on a check-swing fly ball to center. Steve Howe worked a 1-2-3 ninth inning. Ball game.

"You happy to be out of the shadows?" someone asked Hooton later.

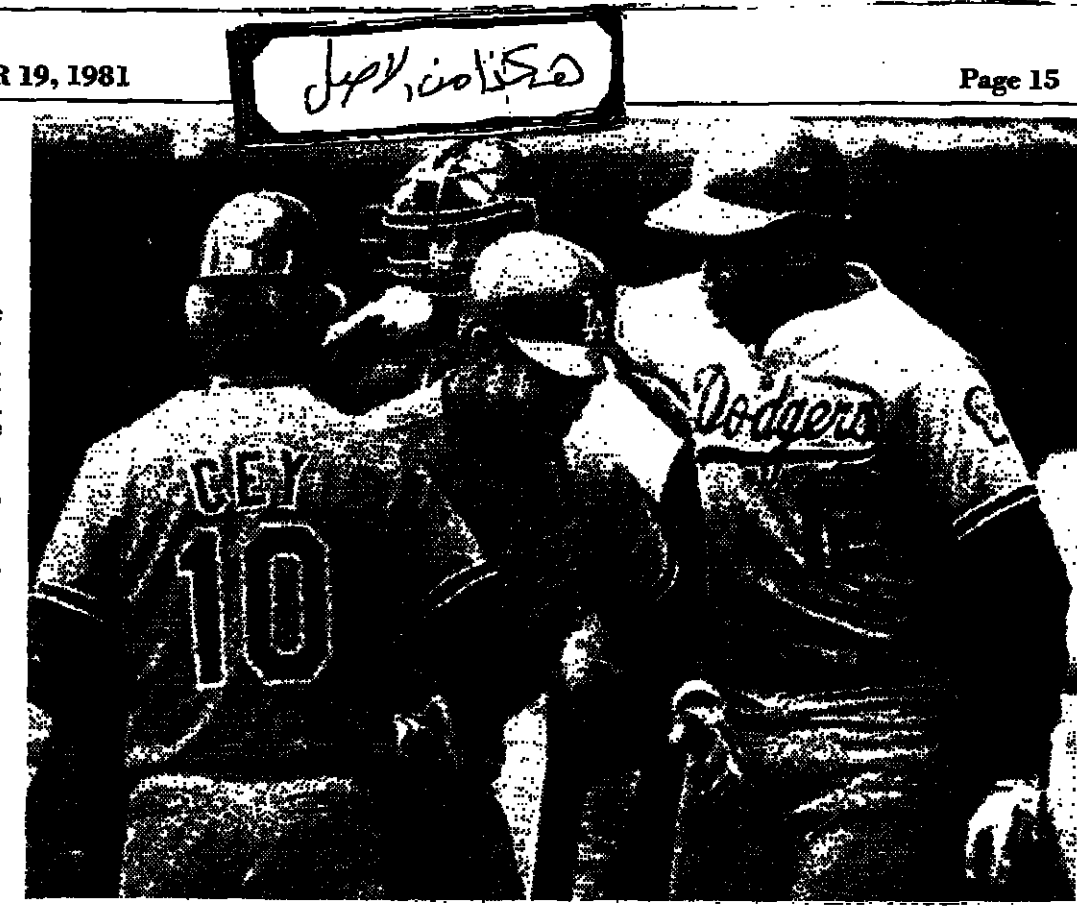
"I'm happy to be right where I am," Hooton said. "I know I'm a good pitcher, the front office knows I'm a good pitcher, my teammates know."

"I like being left alone. I like to be in control of situations. Some people who become too famous lose control. It's not important to me. It's never been important to me."

"I like to play baseball. I make a living playing it. It's something I wanted to do all my life. I like going out and bearing the Montreal Expos in the fourth game of the championship series. To me, that's more gratifying than what's going to be written."

"If I did become famous," someone asked, "and you got a lot of endorsements: would you like that, or would it be a pain in the neck?"

"Depends on what they pay," he said.



Steve Garvey (center) is congratulated by Ron Cey and Dusty Baker after his eighth-inning home run during the Dodgers' 7-1 triumph over the Expos in Game 4 of the National League playoffs.

## Gene Mayer Beats Panatta in Naples; Borg Ousted Early

**NAPLES** — Gene Mayer won the Naples Grand Prix tennis tournament Sunday by trouncing Adriano Panatta, the Italian Davis Cup player, 6-3, 6-2.

Panatta had advanced to the final by handing Bjorn Borg a stunning defeat Saturday, overwhelming the Swede, 6-4, 6-4, in only 67 minutes. In his semifinal, Mayer downed Corrado Barazzutti, 6-3, 6-0.

Despite his defeat, Borg was guaranteed an appearance fee of \$83,000 — one-third of the total prize money — just for playing in the 3-day tournament.

## McEnroe Wins in Australia

**SYDNEY (AP)** — John McEnroe beat Roscoe Tanner, 6-4, 7-5, 6-2, in just under two hours Sunday to win the Australian Indoor Championships.

McEnroe took the first set in 11 minutes, 14 seconds, and the second in 11 minutes, 14 seconds. He won the third set in 11 minutes, 14 seconds.

## Playoff Line Scores

**NATIONAL LEAGUE**

Game Three

Los Angeles 7, Montreal 1

Game Four

Los Angeles 7, Montreal 1

## Long Bowies and Kuhnskin Coats

**NEW YORK** — Bowie Kuhn, probably wearing his historic thermal liner, but hatless and coatless with a sleeveless sweater under his jacket, watched the Montreal Expos win Canada's first pennant playoff game from a heated box upstairs Friday night. The baseball commissioner has said that he considers the playoffs a league matter, but in the World Series, where he is in command, he would be down front with the frustrated customers.

The temperature was 46 degrees (8 degrees Celsius) and plunging when the game started, but 54,372 fans, the eighth largest home crowd the Expos had

ever drawn, tumbled down into parkas, pulled ski caps over ears and lifted voices in song as Steve Rogers and Jerry White whipped the Los Angeles Dodgers, 4-1. Chances are many customers wore long bowies, formerly called long johns.

"Did you see the angle bells I ordered for the commissioner?" asked John McHale, president and chief executive officer of the Expos.

"I saw a guy dressed up as Santa Claus," a man said.

"I ordered that for the commissioner," McHale said.

7-Hitter for Rogers

Somebody else said that Peter Bavasi, general manager of the Toronto Blue Jays, had arrived wearing a conical coat.

"Do you spell that Kuhnskin?" the guy was asked.

"The weather was good," said Steve Rogers, who pitched a seven-hitter and allowed only his second run in four consecutive games. "It was much worse in Philadelphia," where he outpitched Steve Carlton for the second time in the Eastern Division playoff a week ago. "You should be here in April," Rogers said, "when they try to thaw the Astroturf with blow torches and you run on ice all day."

"The weather had no effect on the game whatsoever," said Tommy Lasorda, manager of the Dodgers.

"What was your feeling after White hit that ball?" Lasorda was asked.

"The feeling is we gotta win two games."

The Dodgers got one of the two Saturday on a sunny and comparatively mild afternoon (52 degrees Fahrenheit, 8 degrees Celsius), knocking out Bill Gullickson and abusing an assortment of bulls from the Montreal bullpen. The 7-1 victory left the playoff even at two games each, with all the marbles up for a fifth match.

## RED SMITH

What did affect the game was a run-scoring single by Larry Parrish that tied the score at 1-1; a three-run drive into the left-field seats by Jerry White, who had made only three bunt hits during the irregular season; Rogers' sinking lineball, and a marvelous double play started by Parrish when the Dodgers had runners on first and second with none out in the ninth.

With two on and none out, Jim Fanning, the Montreal manager, walked to the mound. He said later he had no thought of taking Rogers out; he just wanted to pat him on the back and bolster his confidence.

"I didn't feel so good," Rogers said. "When I saw Jim come out, well, ordinarily, you're gone, but he just wanted to change the flow of the game, slow things up. Then that double play ..."

Pedro Guerrero slashed a tricky grounder to third that Parrish took on a short hop. He stepped on third for a forcout and threw to first to double the batter. Rogers struck out Mike Scioscia and the game was over.

"They gave me the game ball," Rogers said, "and I handed it right back."

"To Parrish?"

"To all of them. I'd give out two dozen game balls. This is a team in the true sense of team. We have to scratch for runs, and it takes every aspect of the game to win."

The Toy Cannon

White had no hits off Jerry Reuss until the sixth inning. With two out and none on, Andre Dawson singled, Gary Carter walked, Parrish singled Dawson home and when Reuss threw two balls to White, Ron Ferraoski, the pitching coach, went to the mound to consult with him.

"He had been pitching me low and in," White said, "but he was getting a little tired and his stuff was coming in higher. I was looking for something up. He threw one up that was the third ball, but I swung at it, hoping he'd get one a little lower. He did, but it was still up and in, and I hit it."

"Do you take a lot of kidding about becoming home-run slugger?" he was asked.

"All the time," he said. "They call me the Toy Cannon."

White is an amiable switch-hitter with a smile of gleaming white in the middle of foliage that could conceal a pair of nesting starlings. Fanning calls him "one of the best fourth outfielders around — he rises to the occasion."

The young man enjoys applause and he gets it in Stade Olympique. Fifty-four thousand witnesses were on their feet emitting strange animal cries when the Toy Cannon's big boom reached the seats.

Educated Pitcher

These are special fans. Where crowds chorus "Charge!" in most parks, they sing here. In this bilingual city of amiable cheerless, the Gallic touch is always in evidence. When the Toy Cannon fired, grown men embraced and kissed passionately. Maple leaf flags blossomed in the stands.

He was asked what his playmates had said after his hit. "Just slapped me five. Everybody was happy."

Rogers has been a winning pitcher for seven of his eight seasons with the Expos. He has a bachelor of science degree in petroleum engineering from Tulsa University, dabbles in numismatics and collecting Indian arrowheads, and is a man of discriminating literary taste.

"Do you feel you're representing Canada?" he was asked.

"I don't think I would ever take on the burden of representing Canada," he said. He is out of Jefferson City, the capital of Missouri.

4: Touchdown Passes by Kramer Put Vikings Over Eagles, 35-23

**BLOOMINGTON, Minn.** — Tommy Kramer threw four touchdown passes — three in the second quarter — as the Minnesota Vikings defeated Philadelphia, 35-23, Sunday, handing the Eagles their first National Football League loss of the season.

Kramer, who passed for four touchdowns in a last-minute victory over San Diego last week, rattled the normally stanch Philadelphia defense with 24 completions in 46 attempts for 257 yards, as the Vikings won their fifth straight game.

Kramer's scoring passes in the second quarter covered 11 yards to tight end Joe Sener, 50 yards to wide receiver Sammy White and 1 yard to backup tight end Bob Bruer.

Philadelphia had taken a 6-0 lead late in the first quarter on a 1-yard run by Wilbert Montgomery. Matt Blair blocked Tony Franklin's conversion attempt.

After Sener's touchdown catch, Franklin kicked a 30-yard field goal for a 9-7 lead, but Kramer put the Vikings ahead for good less than two minutes later with his bomb over the middle to White, who had beaten two Philadelphia defenders.

Falcons 41, Cardinals 20

In Atlanta, Steve Bartkowski threw four touchdown passes, two to Alfred Jenkins and two to William Andrews, to help the Falcons snap a three-game losing streak with a come-from-behind 41-20 victory over St. Louis.

The Falcons were trailing 14-0, and playing so listlessly that it appeared they were going to lose decisively before a 44-yard pass interference call midway through the second quarter brought them to life.

Bartkowski connected with Jenkins on a 23-yard scoring pass on the next play, and the Falcons went on to score 20 points in the final nine minutes of the first half to take the lead for keeps.

Jets 33, Bills 14

In New York, Bruce Harper's 29-yard touchdown burst and Bob-by Jones' 61-yard scoring dash with a fumble recovery highlighted a 21-point third period that helped the resurgent New York Jets avenge their worst defeat of the year with a 33-14 upset of Buffalo.

Harper's dash up the middle early in the third quarter put New York ahead to stay, 13-7. Richard Todd boosted the lead to 20-7 later in the period with a 19-yard touchdown pass to Jerome Barkum, and Jones iced the game when he picked up a fumble by teammate Mike Augustyniak and raced 61 yards for a touchdown and a 27-14 lead.

Pat Leahy had field goals of 24, 29, 39, and 22 yards for the Jets, who raised their record to 3-1 after an 0-3 start. Buffalo, which crushed the Jets, 31-0, on opening day, fell to 4-3.

Patriots 38, Oilers 10

In Foxboro, Mass., Steve Grogan, starting his first game in a month, threw for two touchdowns and to spark a 17-point third quarter that carried New England to a 38-10 triumph of Houston.

The Patriots (2-5) were blessed with good field position all day, but trailed Houston (4-3) by a 10-7 score at halftime. Tim Fox's interception, one of four thrown by Oiler quarterback Ken Stabler,



Nelson Piquet being crowned with a "Caesars Wreath" after winning the 1981 world Formula One driving championship at the Caesars Palace Grand Prix in Las Vegas on Saturday.

## Piquet Captures Driving Championship

**Jones Ends Career by Winning 1981 Formula-1 Finale in Las Vegas**

Strip. The crowd of 40,000 nearly filled the grandstands that ringed the man-made 2.26-mile course, and they were treated to a spectacular show on an 80-degree (26 degrees Celsius) desert day. As a race, it was one-sided but as a spectacle it was first rate theater.

French Driver Hurt

Only one accident — Patrick Tambay went too wide on a sweeping turn and slid into a concrete barrier — marred the 1 hour 44.09-minute race. Tambay's Tabot Ligier broke apart, and the French driver limped off with a bruised leg and elbow.

The race within a race between Piquet, Reutemann and Jacques Laffite of France for the world championship was tense through the early part of the 75 laps. Reutemann, who started one point ahead of Piquet and six ahead of Laffite, apparently missed a shift at the start and dropped quickly back to seventh position after starting from the pole. But Piquet was eighth and Laffite even farther back.

Reutemann, apparently without a fourth gear, was passed by Piquet on the 17th lap. The Argentine veteran, in his 12th year as a Grand Prix driver, continued to drop slowly back until, on lap 50 he was lapped by Jones. The moment was savored by the stocky Australian. Relations have been strained between the Williams teammates since the second race of the 15-race series, in Brazil, where Reutemann ignored orders to move aside and let Jones, then the points leader.

Asked his feelings at passing Reutemann — who moved aside to make Jones' pass safer — Jones grinned and said: "Wonderful."

Demanding Course

The 14-turn circuit, surprisingly fast despite its rather short distance, proved physically demanding on the drivers. Jones, who averaged 97,992 mph, (156.79 kilometers an hour) complained about an aching right shoulder, and Piquet had to be helped from his car because of exhaustion and a sore neck.

The corners here create more downforce than nearly anywhere else we race," Jones explained, "and the drivers are quick left-handers. This is new to Grand Prix racing where most high-speed corners are right-handers."

Jones, who had been bitterly critical of the course earlier in the

## Arkansas Thrashes Top-Ranked Texas

**FAYETTEVILLE, Ark.** — Unranked Arkansas, ignited by halfback Gary Anderson and quarterback Tom Jones, overwhelmed top-ranked and previously unbeaten Texas, 42-11, Saturday.

It was the worst defeat since he had received from Arkansas since the Razorbacks bounced them 42-

## COLLEGE FOOTBALL

6 in 1938 and tied the second worst defeat in Texas history.

"What can you say," said Lou Holtz, the Arkansas coach. "Everything went our way."

"We were ready and we were eager," said Texas coach Fred Akers. "I just can't explain it. All the bad things that could happen did."

Texas gave up four interceptions and three lost fumbles as its record fell to 4-1. It did not have a first down until the second quarter and was held to only four first downs in the first half.

The Razorbacks, 5-1, scored all their 25 first half points except a field goal after Texas mistakes.

Arkansas only had to travel 24 yards to score 15 points as the Longhorns fumbled twice and gave up a safety in the first quarter. Arkansas quarterback Tom Jones scored on a one-yard run and running back Gary Anderson ran for five yard touchdowns but missed an extra point attempt.

The two teams traded field goals before the Razorbacks scored just before the half on a touchdown pass from Jones to Anderson.

Arkansas lead 39-3 at the end of the third period on Danell Bowles' 19-yard touchdown run and Jones' four-yard run. After Bruce Lahay kicked his second field goal of the game, Texas scored its only touchdown — an eight-yard Robert Brewer to Donnie Little pass.

Pittsburgh 42, Florida State 14

In Pittsburgh, Dan Marino passed for 251 yards and three touchdowns, and Bryan Thomas rushed for 217 yards and another score as Pittsburgh romped to a 42-14 victory over Florida State.

It was the 12th straight victory for the Panthers, 5-0, since the Seminoles ended their 14-game winning streak last year. Pitt's defense added two touchdowns while recovering two Seminoles fumbles, intercepting three passes and holding Florida State, 4-2, to 76 yards rushing.

Iowa 9, Michigan 7

In Ann Arbor, Mich., Tom Nichols' third field goal of the game, a 30-yard kick with 2:40 left in the third period enabled 12-rated Iowa to post a 9-7 upset victory over fifth-ranked Michigan.

The victory marked the first time the Hawkeyes, 5-1, had beaten Michigan, 4-2, since 1962 and practically eliminated Michigan from Big Ten title consideration with a 2-2 league mark.

Michigan put together its only

wanted Nelson to become a tennis player.

When Piquet took the checkered flag setting off a demonstration of flag-waving Brazilian rosters behind the Bradham pits.

1. Alan Jones, Australia, Williams, 1:44.09.  
2. Carlos Reutemann, Argentina, 1:44.20.  
3. Nelson Piquet, Brazil, 1:44.27.  
4. Jacques Laffite, France, Tabat Ligier, 1:45.27.  
5. John Watson, Ireland, McLaren, 1:46.38.  
6. Bruno Giacomelli, Italy, 1:46.40.  
7. Carlos Reutemann, Argentina, Williams, 1:46.41.  
8. Hector Rebaque, Brazil, 1:46.42.  
9. Didier Pironi, France, Ferrari, 2 laps behind.  
10. Kees van der Bruggen, Netherlands, 2 laps behind.

FORMULA ONE STANDINGS

Piquet

1. Nelson Piquet, Brazil, 50 points.  
2. Carlos Reutemann, Argentina, 44.  
3. Alan Jones, Australia, 44.  
4. Jacques Laffite, France, 44.  
5. Bruno Giacomelli, Italy, 27.  
6. John Watson, Ireland, 27.  
7. Gilles Villeneuve, Canada, 25.  
8. Eddie Cheever, U.S., 16.  
9. Nelson Piquet, Brazil, 11.  
10. Rene Arnoux, France, 11.  
11. Eddie Cheever, U.S., 10.  
12. Riccardo Patrese, Italy, 8.  
13. Didier Pironi, France, 7.  
14. Nigel Mansell, England, 6.  
15. Andrea De Adamis, Italy, 1.  
16. Mark Donohue, U.S., 1.  
17. Mario Andretti, U.S., 1.  
18. Andrea De Adamis, Italy, 1.  
19. Elio de Angelis, Italy, 1.  
20. Patrick Tambay, France, 1.

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## More Sports On Page 13

West Germany Defeats Qatar in Youth Soccer

**SYDNEY** — West Germany won the World Youth Soccer Championship Sunday by defeating Qatar, 4-0, in a steady rain before a crowd of 18,531.

In Adelaide, on Saturday, Romania defeated England, 1-0, in the playoff for third place.



